

China Asks Patience on \$4 Billion in Bad Loans

**Liquidation of CITIC
Won't Start Until April
At Earliest, Banks Told**

Compiled by Our Staff From Dispatches

GUANGZHOU, China — Government officials Sunday told foreign creditors of China's biggest financial failure not to expect repayment soon of the \$4 billion they are owed soon.

At a meeting in Guangzhou, about 150 representatives of international banks, dominated by Hong Kong-based banks, were told that the liquidation of Guangdong International Trust & Investment Corp., also known as CITIC, would not begin for at least another three months.

"You're just not going to know what the assets are worth until the liquidation process starts," said Glenn Henriksen, head of Asia risk management at Bear Stearns Cos., who was among the creditors at the meeting.

CITIC became the first financial institution in modern Chinese history to default on an international bond on Oct. 26, when it missed an \$8.75 million

Russia says it will need help to pay its foreign debts this year. Page 11.

coupon payment on a U.S. dollar-denominated bond. It owes a total of \$4.07 billion to foreign and domestic creditors, including banks, insurance companies, and other financial institutions, according to a statement by the Chinese group leading the liquidation.

Without the contingent liabilities — mainly guarantees to other companies and projects, many of which may not have to be repaid because of legal questions — the company still owes foreign creditors about \$1.2 billion more than it can pay. It had assets of 2.16 billion yuan (\$260.9 million) and liabilities of 3.62 billion yuan, the statement said.

China has said that it is likely to honor all of the debt that was officially registered and to negotiate the rest. Chinese officials said Sunday that all creditors would be treated equally.

"Thailand, Malaysia, Hong Kong and America don't have preferential treatment" in their bankruptcy laws, said Wu Jiesi, the assistant governor of Guangdong Province. "China is moving toward a market economy, so it's my preference to go this way. All creditors should be treated equally under the law."

There were warnings, however, that the debt figures may well be incorrect. "It is difficult to make a correct judgment because of the existence of doubts about the integrity and accuracy of the data," a statement by the group leading the liquidation said.

Chinese officials said they had found 240 local and foreign companies wholly owned by CITIC, compared with the 132 companies acknowledged by the conglomerate.

The liquidation of CITIC is a "complex issue," a spokesman for the Guangzhou branch of the Chinese central bank said, "and no one should expect a final result in the near term."

"We over said that everything would be made clear by now," the spokesman said. "No deadline has been set for when the issue will be cleared up."

CITIC's financial arm was shut by the central bank in October. Creditors had until last week to make claims.

Creditors are waiting to hear how China will approach the liquidation. Bankers said the central government can either pay lenders directly and shift through CITIC's assets later or start selling its businesses and pay debts based on a ratio of the money raised to what is owed.

Creditors have said that repayment would allow the foreign banks to increase lending to other Chinese companies and projects. Such lending dried up after the company's failure.

Separately, the head of the Hong Kong Monetary Authority, the region's de facto central bank, said Sunday it would not require banks to make provisions for bad loans to CITIC.

"I hope banks can study the information available and make their own decisions," Joseph Yam, the head of the authority, said. "I do not think it is necessary for the monetary authority to issue guidelines."

"It is difficult to say how much of registered debt will be repaid, or if it will have priority," he said, referring to debt that had been registered with China's State Administration for Foreign Exchange. (Bloomberg, AFP, Reuters)

Newsstand Prices

Bahrain	1.000 BD	Malta	55 c
Cyprus	1.000 C	Nigeria	12500 Naira
Denmark	17 DKr	Oman	1.250 QR
Finland	12.00 FM	Qatar	10.00 QR
Gibraltar	5.085 Rep.	Ireland	1R
Great Britain	1.000 UK	Saudi Arabia	10 SR
Egypt	1.250 JD	U.A.E.	10.00 Dh
Jordan	1.250 JD	U.A.E.	10.00 Dh
Kenya	1.250 KSh	U.S. Mail	\$1.20
Kuwait	700 Fils	Zimbabwe	2m. \$40.00



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Rebels of the Kosovo Liberation Army patrolling Sunday near Podujevo, in northern Kosovo, where Yugoslav Army tanks had bombarded mountain bases of the ethnic Albanian guerrillas the day before.

Standoff Over Hostages in Kosovo

Ethnic Albanians Won't Free 8 Soldiers Without Prisoner Exchange

Compiled by Our Staff From Dispatches

PRISTINA, Yugoslavia — Ethnic Albanian rebels in Kosovo who are holding eight Yugoslav soldiers said Sunday that they were demanding an "exchange of prisoners of war" in return for the captives' release.

The soldiers "will be released when an agreement has been concluded with American and European mediators on the exchange of prisoners of war, in line with international conventions," the Kosovo Liberation Army said in a statement released to the press here.

Members of a mission created by the Organization for Security and Cooperation in Europe have been negotiating with the rebels for the release

of the eight soldiers. They were seized Friday near Stari Trg, a mining town 40 kilometers (25 miles) northwest of the regional capital, Pristina.

The seizures prompted the Yugoslav government to dispatch army units to the region, although it agreed to hold back from any further military action while the negotiations were under way.

Heinz Nitsch of the European observers — put in place to monitor a U.S.-brokered cease-fire that began in mid-October — visited the men Saturday and reported that they were all in good health.

The seizures added to a week of tension in the Serbian province, where

Yugoslav Army tanks bombarded mountain bases of the Kosovo Liberation Army near the town of Podujevo for several hours Saturday.

"The fact that talks are still going on is a positive sign," said Sandy Blyth, a spokesman for the Organization for Security and Cooperation in Europe.

The Yugoslav Army has also been making a show of force around Stari Trg, a few kilometers from the mountains where the separatists were believed to be holding the soldiers.

Podujevo, in northern Kosovo, was quiet as were other areas where Yugo-

See KOSOVO, Page 6

A Serb War-Crimes Suspect Is Killed

By Charles Trueheart
Washington Post Service

PARIS — French soldiers shot and killed a suspected Bosnian Serb war criminal this weekend as he prepared to ram the soldiers with his vehicle at a mountain roadblock set up to arrest him, the second time a Bosnian Serb war-crimes suspect has been killed during an attempt to arrest him.

The shooting occurred Saturday near the town of Foca in the Serbian Republic of Bosnia-Herzegovina, in an area 50 kilometers (30 miles) southeast of Sarajevo that is monitored by French peacekeeping forces attached to the NATO-led Stabilization Force.

The suspect was Dragan Gavovic,

38, the former police chief of Foca and the senior official listed in an eight-person indictment alleging Serbian atrocities, including rape, against Muslim civilians in and around Foca during 1992 and 1993, the first two years of the ethnic war that tore apart what was once Yugoslavia and left tens of thousands of civilians dead. Prosecutors said Mr. Gavovic's indictment was the first time that a war was treated as a war crime.

[Foca was reported to be calm Sunday. The Associated Press reported from Sarajevo, but a UN spokeswoman said five monitors for the United Nations' international police force were hurt in the town Saturday when a crowd of 100 angry residents surrounded their police station and some of them burst

inside. An officer from India and another from Portugal were still hospitalized and the three others, a Spaniard, a German and an American, were slightly injured, the spokeswoman said.]

According to information supplied by the French Defense Ministry, NATO and the UN International War Crimes Tribunal in The Hague, French soldiers at the roadblock barred the way to the vehicle Mr. Gavovic was driving.

When he drove toward the soldiers, they opened fire in what Secretary-General Javier Solana Madariaga of NATO described as self-defense. A doctor pronounced Mr. Gavovic dead on arrival at a local hospital.

See BOSNIA, Page 6

Malaysia Turns Its Back on Tycoons

'If We Are Going to Bail Out the Company, Why Does He Have to Stay?'

By Thomas Fuller
International Herald Tribune

KUALA LUMPUR — When critics complain about Malaysia's brand of crony capitalism, the name that usually comes up first is Halim Saad, a boyish-looking millionaire who runs the country's largest infrastructure company.

Political connections do not get any better than this: Mr. Halim's company, Renong Bhd., was once the business arm of the governing political party. Over the past decade, Renong has secured many of the most prized government contracts, and Mr. Halim is a friend and protégé of Daim Zainuddin, the governing party's treasurer who was appointed finance minister Friday.

Yet Mr. Halim is in trouble, and so are many of the cash-strapped Malaysian cronies these days as the government

becomes increasingly reluctant to bail them out for fear of a public backlash.

Since economic turmoil swept through Southeast Asia 18 months ago, it has been fashionable, especially in the context of Malaysia, to speak of crony capitalism — close links between businessmen and governments. These links, the argument goes, are impediments to reform because bad management is not punished. Governments bail out companies, but the same faces remain at the top.

But the government's recent attitude toward some high-profile Malaysian companies in recent weeks, including Renong, tells a different story.

The Finance Ministry has rejected an initial plan to rescue Renong from its sea of debt, and the government has allowed foreign creditors to pursue defaulted debts.

"There is a feeling that if we are

going to put money in, why don't we take control?" said a government adviser who has spoken to both Mr. Daim and Prime Minister Mahatir bin Mohamad about the issue.

Renong is not the only crony company in trouble.

The Malaysian central bank took control of the largest finance company in the country, MBF Finance Bhd., last week. Frustrated with the management of the company, the bank effectively fired the chief executive officer — a member of a high-profile family — and replaced him with a bureaucrat.

In December, the head of the country's largest financial-services group, RHB Bhd., ceded control of his company after the government helped restructure his debts.

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Clinton Is Warned: Avoid 'Nitpicking'

**Democratic Senators Caution
Against Move to Curtail Trial**

By Brian Knowlton
International Herald Tribune

WASHINGTON — The outlines of the impeachment trial of President Bill Clinton became clearer Sunday as leading Democratic senators cautioned White House lawyers against seeking to cut the process short.

And while a remarkable list of 18 senators, appearing on television talk shows, proclaimed a desire to maintain a spirit of bipartisanship achieved Friday on a plan for the trial, they were split on almost every issue likely to arise.

Senator John Breaux, the chief deputy Democratic whip, warned Mr. Clinton's lawyers to offer a straight, factual defense and to avoid what he called "evidentiary nitpicking."

To move to dismiss the case before opening arguments are heard, on the ground that no impeachable offenses had been committed, "would be a mistake," he said. "I would caution them not to do that."

Clinton's impeachment found to damage Republicans. Page 3.

A senior Republican, Senator Phil Gramm of Texas, also said that a resolution to dismiss the case was unlikely to pass.

Under a plan unanimously endorsed Friday by the 100 senators, the White House has until Monday to respond to the formal summons that was served on Mr. Clinton on Friday by the senate sergeant at arms, James Ziglar.

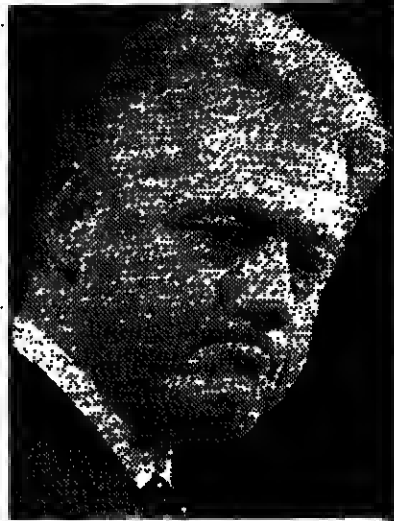
The Senate will reconvene Wednesday to allow Chief Justice William Rehnquist, who is presiding, to rule on motions. Opening presentations will begin Thursday and each side will have up to 24 hours, probably over three days, to make its case. Only then will the question of witnesses be brought up.

The senators will weigh charges that Mr. Clinton lied under oath to the grand jury investigating his relationship with Monica Lewinsky and that he sought to obstruct justice by trying to conceal his affair with her.

Mr. Clinton spent Sunday with his family, away from his lawyers. The president's legal team has promised "a vigorous, successful and complete defense," expressing confidence that there were not 67 votes in the Senate to approve Mr. Clinton's removal from office as the first U.S. president to be convicted after impeachment.

But while senators continued Sunday to praise the bipartisan exercise, it became clearer that a fundamental dispute — over whether witnesses, probably including Ms. Lewinsky, will be called — would reopen an angry breach once senators take it up. The outcome of that debate will powerfully affect the chances of concluding the trial by mid-February. Until the witness matter

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President Clinton faces a tough week.

U.S. Rejected Envoy's Pleas From Kenya Before Blast

By James Risen
and Benjamin Weiser
New York Times Service

In the spring of 1998, Prudence Bushnell, the U.S. ambassador to Kenya, sent an emotional letter to Secretary of State Madeleine Albright begging for the secretary's personal help.

Ms. Bushnell, a career diplomat, had been fighting for months for a more secure embassy in the face of mounting terrorist threats and a warning that she was the target of an assassination plot. The department had repeatedly refused to grant her request, citing a lack of money. But that kind of response, she wrote Mrs. Albright, was "endangering the lives of embassy personnel."

The CIA and the FBI had been amassing increasingly ominous and detailed clues about potential threats in Kenya, officials said. But the State Department bureaucracy still dismissed Ms. Bushnell. She was even seen by some at the State Department as a nuisance who was overly obsessed with security, according to one official.

Mrs. Albright took no action. And three months later, on Aug. 7, the U.S. embassies in Tanzania and Kenya were simultaneously attacked with car bombs. Twelve American diplomats and more than 200 Africans were killed in Kenya.

The State Department has acknowledged that Ms. Bushnell raised questions about security before the bombing. But a close examination of events in the year before the assaults, based on interviews with officials throughout the U.S. government, shows her concerns were more intense, more well-founded, more specific and more forcefully expressed than has previously been known.

The review shows that: • The CIA repeatedly told State Department officials in Washington and in the Kenya embassy that there was an active terrorist cell in Kenya connected to Osama bin Laden, the Saudi exile who is accused of masterminding the attack.

• The CIA and FBI investigated at least three terrorist threats in Nairobi in the year before the bombing and took one seriously enough to send a counterterrorism team from CIA headquarters. The agency ultimately concluded that

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Halim Saad, head of the governing party's former business operations.

Chinese Aspire to the 'Big Nose' Look

By John Pomfret
Washington Post Service

BEIJING — Lang Wenyu, a slight 26-year-old woman with a contagious case of the giggles, lay on an operating table in a hospital in Beijing.

"Of course it's because I want to become beautiful," she said, her face wrapped in white cloth and her tiny nose poking out from the swaddling. Three doctors hovered nearby. One prepared a scalpel. Another kneaded a small ball of paste.

Miss Lang's nose was the object. In less than an hour, it was going to double in size. And the shop clerk from Hebei Province would become another star-

istic among the growing number of Chinese who are embracing plastic surgery in the search for beauty, marriage and a happier life.

"It will help me find a boyfriend," Miss Lang intoned with confidence.

Minutes later Zhou Xiaoling, one of the chief plastic surgeons in Beijing, sliced open her diminutive schnozzle and inserted the paste, raising and turning the pert tip into a bit of a hook. "My two friends did it and their love lives started. I'm ready for mine to start, too," Miss Lang said.

For the first few decades of Communist China's existence, beauty was bourgeois and bad. Beauty is still bourgeois, but in today's China bourgeois is

good. So good, in fact, that young men and women are falling over themselves to improve their appearances, embracing plastic surgery, gyms, dance halls, swimming pools, diets and beauty salons with a passion for pulchritude not seen since the Roaring 20s in Shanghai.

From \$1 billion a year in the early 1990s, women's purchases of cosmetics have rocketed to \$4.2 billion, according to the Beijing-based 21st Century Market Research Corp. Men are jumping into the fray as well, slapping on skin creams and rare oils with a passion almost equaling their sisters.

"If I have a bigger nose, I think I will

See BEAUTY, Page 6

THE AMERICAS

Clinton's Trial May Yet Recall O.J.'s

By Ruth Marcus
Washington Post Service

WASHINGTON — The Senate trial of President Bill Clinton could look like anything from a tedious rehashing of the existing evidence, accompanied by dressed-up legalistic arguments, to a full-on J. Edgar Hoover-style spectacle, with Chief Justice William Rehnquist in the improbable role of Judge Lance Igo.

The elaborate procedure endorsed Friday by a unanimous Senate guarantees only that the toughest fights over whether to permit live testimony, as the House "managers" demand and the White House is seeking to avoid — are postponed for at least a few weeks.

But with motions due Monday and opening presentations starting Thursday, the evidence that Mr. Clinton obstructed justice in his efforts to conceal his relationship with Monica Lewinsky and then lied under oath to the grand jury will receive its fullest airing since the report by the independent counsel, Kenneth Starr, hit the Internet in September.

As the Senate majority leader, Trent Lott, Republican of Mississippi, vowed in a radio address Saturday to insist on "high standards of de-

century and decorum" in the historic trial, White House lawyers and the 13 House Republican prosecutors were considering the major strategic decisions they must make in the next few days.

Mr. Clinton's defense team met through much of the day Saturday and the House prosecutors planned to meet Monday to ready a new plan for a much more extensive opening presentation than they had envisioned.

"We're going to have to go back to the drawing board and see how to proceed within that time frame," said Representative Charles Canady, Republican of Florida, one of the managers.

The White House must decide which pretrial motions and defenses it should raise at this stage as it seeks to strike a balance between not enraging the jury of 100 senators with overly hairsplitting legal arguments and not abandoning any promising lines of attack.

The House team must retool a plan for an aggressive prosecution that has made key senators in both parties wary of a trial that could hinge on salacious details.

And both sides find themselves in the strange legal position of figuring out how to use their 24 hours each, probably spread over three days, to present their best case

while not knowing whether any witnesses will follow or who they will be.

The issues include mundane matters — among those being considered was whether the antiquated Senate rules allow the lawyers to wheel television monitors onto the Senate floor to present snippets of videotaped testimony — along with fundamental questions about the case.

White House advisers, for example, are debating whether to concentrate on unraveling the case against Mr. Clinton or to use some of their time to revive attacks on Mr. Starr and his investigation.

And for days the House Republican prosecutors have discussed whether they should seek to introduce evidence not weighed by the House during its impeachment proceedings last month.

The White House will be the first side heard from this week, when on Monday it submits its answer to the Senate summons and, later in the day, any pretrial motions.

The White House can present any number of arguments in its filing Monday or trial brief due Wednesday: that the articles should be dismissed because they were passed by a lame-duck House (an argument that is likely to

be mired, if it is raised at all, in part because Senate Democrats have argued that it is not a productive approach), that the articles are too vague to defend against and that they were improperly and unfairly drafted by lumping numerous allegedly impeachable acts together in a single count.

The White House at that stage could make a preemptive bid to have the case tossed out on grounds that the allegations against Mr. Clinton, even if true, do not merit his ouster.

But because the agreement forged by the Senate contemplates hearing such a motion to dismiss at the close of the oral arguments and because it is unlikely that a majority would vote to dispose of the case before at least taking that step, the White House may choose to refrain from making a motion to dismiss Monday. That would allow it to avoid suffering a political setback and having senators put themselves on record this early in the trial.

On Wednesday, the House will respond to the White House argument and the Senate will hear from both sides, debate and vote on the pretrial motions.

The opening arguments beginning Thursday, first by the House and then, a week from Tuesday, by the White House, inevitably will proceed along a strange dual track: the lofty constitutional plane of the meaning of "high crimes and misdemeanors" and the gritty, often sordid, factual level of disputes over events and their implications.

Kissinger's Early, Strategic Bid to China

By Michael Dobbs
Washington Post Service

Mr. Kissinger warned against the Soviets and offered satellite data.

WASHINGTON — Henry Kissinger's memoirs contain a graphic account of his first visit as secretary of state to China in November 1973. He describes Mao Zedong's "mocking, slightly demonic smile," the health problems of Premier Zhou Enlai and his own delight in excluding State Department officials from key meetings.

What Mr. Kissinger did not reveal was that he used the visit to warn Chinese leaders of a possible Soviet nuclear attack and to offer them an early-warning system and the help of U.S. spy satellites.

A compilation of Mr. Kissinger's conversations with Chinese and Soviet leaders was recently released by the National Security Archive, an independent research center in Washington. The compilation shows that President Richard Nixon's triangular diplomacy with Moscow and Beijing involved a much earlier, much higher level of U.S. strategic assistance to China than has been acknowledged officially.

"I would steer clear of the word alliance," said James Lilley, a former U.S. ambassador to China, "but there was collusion and cooperation against a common target."

"It started very early," said Mr. Lilley, who had been the CIA's first station chief in Beijing, starting in July 1973. "Right after Kissinger's initial trip to Beijing."

Within five months of that trip, the documents show, Mr. Kissinger met the Chinese ambassador to the United Nations, Huang Hua, at a CIA safe house in New York and offered him "whatever satellite information we have about the disposition of Soviet forces."

Mr. Kissinger dismissed the con-

cerns of the Soviet ambassador to Washington, Anatoli Dobrynin, about such intelligence-sharing, saying "Anatoli, do you think I would be this amateurish, and do you think that could be of any precise concern to us?"

The documents show Mr. Kissinger maneuvering between Beijing and Moscow, flatterer of his interlocutors to their faces and denigrating them behind their backs.

With Leonid Brezhnev, Mr. Kissinger adopted a jocular relationship, kidding him about his passion for hunting and joking at one point: "What are 3,000 MIRVs multiple, independently targeted nuclear warheads among friends?"

In a conversation with British officials, he called the Soviet leaders liars and "the most unpleasant group" of people with whom he had dealt. Talking with President Gerald Ford, he referred to Chinese leaders as "cold, pragmatic bastards."

Although Mr. Kissinger offered Beijing as early as 1973 a hot line that could give an early warning of a Soviet attack, the Chinese did not accept the proposal until last year, during President Bill Clinton's visit.

The U.S. relationship with China has also broadened to include providing the Chinese with sophisticated computer technology, setting up electronic listening posts along the Chinese-Russian border and launching U.S. satellites aboard Chinese rockets.

Last month, a House select committee headed by Representative Christopher Cox, Republican of California, issued a report alleging that two decades of technology transfers to the Chinese missile program had damaged U.S. national security.

Mr. Kissinger's office told The Associated Press that he was traveling and unavailable for comment on the documents.

Republicans Feel the Fallout

Impeachment Has Stirred Up Internal Divisions

By Thomas B. Edsall
Washington Post Service

WASHINGTON — The impeachment of President Bill Clinton has inflamed long-standing ideological divisions within the Republican Party, weakened the party's image among independent and swing voters and now threatens to inflict long-term political damage, according to analysts from both parties.

With some recent polls showing the party with a 2-to-1 unfavorable image, Republican strategists are far more worried now than they were 45 days ago about the impact of the impeachment process on the party's political health.

Many now fear that the hangover from the bitter, partisan battle will hurt Republican candidates in the 2000 elections, particularly races for the House and the Senate, unless there is a relatively quick, and harmonious, resolution in the Senate.

Republican strategists say the impeachment process threatens to stamp the Republicans as an anti-Clinton party that is devoid of positions on issues the vast majority of the public cares about.

"We're getting boxed into a very narrow box, which is an anti-Clinton box," said

Jan van Lohuizen, a Republican pollster. "The only way to get over it is to get over impeachment and start talking about issues. We have to have something to say other than that Clinton is a bad guy, and right now we don't."

The Senate majority leader, Trent Lott, Republican of Mississippi, recognizing the potential dangers to his party's political future, worked hard last week to give the Senate proceedings an aura of bipartisanship. If that mood prevails, and if the Senate avoids a long trial, it could mitigate the damage already done, analysts said.

Until Mr. Lott's success in finding a bipartisan way to start the trial, the effort to impeach the president reinforced the image of party leaders catering to conservative Republican activists at the expense of reaching out to moderate and independent voters who will be decisive in the major contested elections less than two years from now, these analysts added.

Whit Ayres, an Atlanta-based Republican pollster, said the impeachment issue has "tarnished the image of the Republican Party as the party that is against big, intrusive government," which for the past two decades has been fundamental to Republican political gains.

In addition, he said, the public now sees the party almost totally through the prism of impeachment.

Both partisan and independent analysts said the impeachment issue is reinforcing internal Republican divisions over such social issues as abortion and gay rights that have plagued the party over the past two decades.

Andrew Kohut, director of the Pew Research Center, said his polling showed that Republican partisans with libertarian leanings are more disaffected from the party than are religious and cultural conservatives.

Mr. Ayres said voters who are primarily concerned with maintaining individual and personal freedoms were the most put off by the impeachment drive.

Polling conducted by CBS News and the New York Times underscored how much the Republican base has been fractured by impeachment.

Roughly a quarter of loyal Republican voters disapprove of the drive to impeach Mr. Clinton, according to Cheryl Amadi, deputy director for surveys at CBS.

From last October through the beginning of this month, their view of their own party has become increasingly negative.

In October, these anti-impeachment Republicans had a favorable view of the party by a spread of 5 to 1. Today, that ratio stands at 1 to 1.

Wellstone Backs Out of Race

WASHINGTON — Senator Paul Wellstone of Minnesota announced over the weekend that he would not seek the presidency in 2000, further shrinking the field of Democratic contenders.

Although Mr. Wellstone, 54, had been considered a long shot, and he viewed his candidacy as a low-budget crusade to press for liberal, populist causes, he drew enthusiastic responses from audiences in Iowa and other battleground states. He was the first Democrat to set up an exploratory committee and has been traveling the country seeking support since early 1997. He said he had intended to run but changed his mind because of severe back problems. (NYT)

Lawmakers Debate Windfall

NEW YORK — Lawmakers are beginning to debate how to spend their biggest windfall in recent years: tens of billions of dollars from tobacco settlement deals.

While some elected officials are calling for the money to be spent on health care initiatives and anti-smoking campaigns, others are urging that it be used on projects unrelated to tobacco, including new schools or jails, and even sidewalk repair. Still others want to eliminate state debts or give taxpayers rebates.

Over the next 25 years, all 50 states and some cities will receive almost \$246 billion from cigarette producers as a result of the lawsuits brought against the tobacco industry to recover Medicaid money spent treating smoking-related illnesses. Tobacco companies have already passed along the cost of the settlement to smokers by raising prices. (NYT)

Away From Politics

• An 8-year-old who was a witness in a murder case was found shot to death, along with his mother, in their home in Bridgeport, Connecticut, the police said. (NYT)

• A New York state appeals court has again rejected a well-known psychology professor's \$1.5 million lawsuit challenging Cornell University's procedures in finding him guilty of sexual harassment. (NYT)

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ASIA/PACIFIC

With Khmer Rouge Collapse, Pressure Grows to Rein In Army

By Michael Richardson
International Herald Tribune

PHNOM PENH — After the collapse of the Khmer Rouge as an effective guerrilla force and the formation of a new coalition government between previously warring political factions, the Cambodian armed forces are under increasing pressure to curb corruption and human rights abuses and to slim down and become more professional.

Foreign governments and international institutions that provide vital aid to Cambodia are urging the government to prevent such abuses, apply the rule of law and improve administration.

But some Cambodian and foreign analysts said they were concerned that years of fighting and lawlessness in many parts of the country, and the previously close political alliance between

the governing Cambodian People's Party of Prime Minister Hun Sen and key commanders of the security forces, have so entrenched the military in power that it will be very difficult to dislodge.

Moreover, many generals — there are several hundred in the army — and the senior officers under them have secured lucrative interests in illegal logging, smuggling and the protection of casinos and brothels, analysts said. Before reform can proceed, the analysts said, the military must integrate over the next three months thousands of former Khmer Rouge rebels, as well as government soldiers who sided with royalist commanders in the factional fighting of July 1997.

The government must also be assured of tens of millions of dollars in foreign aid, they said, so that when surplus troops are eventually demobilized they

can become farmers or urban workers — and not turn to crime for a living.

"If we can pacify the country, we can downsize the military, make the army more professional and reduce its role in politics," Khieu Kanharith, the government's spokesman, said in an interview. He said that the government planned to reduce the size of the armed forces, which officially have about 140,000 men, to between 30,000 and 40,000 troops by around 2005.

"Demobilization must go hand in hand with vocational training," he said. "Most of the soldiers are former farmers. Basically, all they need are housing and land. But some will want to be trained for nonfarm work."

Mr. Kanharith added that the government had asked the World Bank and the International Labor Organization to provide about \$40 million for voca-

tional training, housing and land costs, and an accelerated program to clear tens of thousands of landmines so more agricultural areas can be safely reopened.

"Because there was never sufficient money in the budget, the military was given logging concessions by the government," a foreign military analyst said. "But nearly all the money goes to the commanders, not the soldiers. That's why they resort to banditry or set up checkpoints on roads to exact illegal tolls." He said that less than 10,000 of the troops in the army were adequately trained, while at least 30,000 were "phantom" soldiers, registered so that corrupt officers could pocket their pay of about \$10 a month.

"The armed forces, including the police and village militia, are among the worst violators of human rights," said Lao Mong Hay, executive director of the

Cambodian Institute of Democracy. International aid donors, including the World Bank, will meet with Cambodian officials in Tokyo next month to discuss reform and decide how much assistance Phnom Penh will get in 1999. Finance Minister Keat Chhon said last week that the government would request \$1.3 billion for a three-year program to bolster the economy.

In a move analysts said was intended to create a favorable atmosphere for that meeting, Mr. Hun Sen on Jan. 6 ordered an intensified crackdown on illegal logging, which is draining government coffers of urgently needed revenue and causing serious environmental damage.

"The armed forces must cooperate with the forestry authorities and other involved institutions and use all means, including weapons, in the crackdown operation," he said. "Even though the government has taken action against illegal logging, there are still some anarchy operations going on." Mr. Hun Sen said the authorities would confiscate illegally sawed logs and logging equipment and file lawsuits against those responsible.

Kao Kim Houn, executive director of the Cambodian Institute for Cooperation and Peace, said that the government had taken some steps toward reform but that he was worried there were "too many warlords" standing in the way of real progress. "They don't really respect orders from Phnom Penh," he said. "They have been able to generate a lot of money that has bought weapons and loyalty. This is a big problem for Cambodia."

Still, Mr. Hun Sen appears to be determined to seize the opportunity to assert Phnom Penh's control over the provinces and to revive flagging economic growth and investment, following the recent defection of two of the remaining three top Khmer Rouge leaders to the government side.

"This is perhaps the first time in Cambodia's history since the Second World War that the government is in a position to control the entire territory, without secessionist zones as in the past," Mr. Hun Sen noted recently. He said that as stability returns, the size of the armed forces must be reduced so that more money can be spent on health, education and social welfare.

BRIEFLY

Opposition Assails Mahathir's Choice

KUALA LUMPUR — Opposition leaders criticized Prime Minister Mahathir bin Mohamad over the weekend, saying his announcement of a successor was "a desperate exercise" to regain public confidence.

Late Friday, Mr. Mahathir named Abdullah Ahmad Badawi, 59, as deputy prime minister as well as home minister, a job that Malaysian prime ministers traditionally have held themselves. Mr. Mahathir fired his former deputy, Anwar Ibrahim, Sept. 2 amid allegations of sexual misconduct. (AP)

Arsenic Pollutes Bangladesh Wells

DHAKA, Bangladesh — Tests on 50,000 tube wells in Bangladesh — a source of water for most of the population — have shown that about 40 percent are too contaminated with arsenic to provide drinking water, a World Bank official said Sunday.

Babar Kabir, head of the bank's water and sanitation program, said a series of tests had confirmed the presence of arsenic beyond permissible levels in 40 percent of the tube wells in 200 villages in 22 districts. (Reuters)

4 Die in Aceh Raid

JAKARTA — Four people died after being beaten by security forces in the troubled province of Aceh in an unsuccessful raid to capture a rebel leader, Indonesian military and human-rights groups said Sunday.

Colonel Johnny Wabab, the military commander in Lhokseumawe, about 1,600 kilometers (1,000 miles) northwest of Jakarta, confirmed the deaths. Twenty people were reported injured. The rebel leader escaped. (Reuters)

Indian Leader Assails Church Burnings

In Gujarat, Vajpayee Calls for 'Exemplary Punishment' for Attacks

Compiled by Our Staff From Dispatches
AHWA, India — Prime Minister Atal Behari Vajpayee visited a violence-torn tribal area in the western state of Gujarat on Sunday and urged stiff punishment for those behind a series of attacks on the Christian minority.

"Exemplary punishment should be awarded to perpetrators of such crimes," Mr. Vajpayee said in Ahwa, a village where a Hindu group attacked a church last month.

Several social workers who met with Mr. Vajpayee sought a ban on religious conversions, which sometimes have led to Hindu-Muslim or Hindu-Christian riots.

"It is necessary to build a consensus that will be in the interest of all communities," Mr. Vajpayee said. He called for a debate on the conversions. Nearly 82 percent of India's population is Hindu, with Muslims representing 12 percent and Christians and Sikhs about 2 percent each.

Most of the Christians live in four southern states, where such clashes have been rare for decades.

The recent clashes occurred mainly in Gujarat, where two small fundamentalist groups allied with the governing party attacked churches and schools run by Christian missionaries. They marked a violent end to a year that saw more than 60 cases

nationwide of church and Bible burning, rape and assaults.

Priests and nuns led by Bishop Godfrey, the highest-ranking prelate in Gujarat, met Mr. Vajpayee to recount tales of church burnings and stonings that went on for several days after Christmas. "India is secular, and in this country to target places of worship, whether a church or a temple, is not just a crime but also a step that will break the unity of this country," Mr. Vajpayee said.

Hindus in the impoverished Dangs tribal belt said a Christian group started the clashes by throwing stones at a Hindu rally on Christmas Day and that a few retaliatory attacks had been blown out of proportion.

Analysts said the attacks were politically motivated.

Mr. Vajpayee's rightist Hindu Bharatiya Janata Party rose to power on a blend of "Hindutva," or Hinduness, and moderation. Since the party's poor showings in three state elections in November, Mr. Vajpayee and the party's pragmatists have tried to tame the hard-line Hindu ideologues of the party's parent organization.

Mr. Vajpayee's arrival in the Dangs region came just after that of Sonia Gandhi, the opposition Congress Party leader, who visited Friday. (Reuters, AP)



A woman in Pakistan paying tribute Sunday to victims of mob attacks on Christian churches in India.



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BOOKS

THE SEARCH FOR THE GIANT SQUID

By Richard Ellis. 322 pages. \$35. The Lyons Press.

Reviewed by Michael Dirda

THE giant squid has been known by many names — kraken, devil fish, Scylla, sea serpent, gigantic cuttlefish, Architeuthis. The beast itself is the stuff of nightmares: tentacles up to 60 feet long (or more), a six-inch parrotlike beak near the maw, chromatophores that allow the animal to change its skin color instantly, huge axons that transmit neurological messages "faster than any other creature," and lidless eyes the size of basketballs. In folklore its monstrous tentacles (10 of them, unlike the eight of the octopus) soaked out of the depths to drag unsuspecting sailors, even entire ships, to a watery doom. Actual sucker testifies to great combats in the abyssal depths of the ocean. And though giant squid occasionally wash up dead on the beaches of Newfoundland, New Zealand and Norway, to this day nobody has ever seen one alive in the water. It remains one of the most mysterious and haunting, of earth's creatures.

Richard Ellis is a marine painter and self-described cryptozoologist, that is, a student of hidden or unknown animals. In 1995 he brought out "Monsters of the Sea," devoting chapters to sharks, whales, mermaids, squids, and strange holo and globsters; last year he published "Imagining Atlantis," a survey of the lore and speculation surrounding the famous antediluvian world. Both these books deftly mingle mythology with either biology or history, resulting in high-grade intellectual entertainment. — Ellis serves up, with equal relish, dispassionate scientific findings, the

fantasies of obsessed crackpots, episodes from half-forgotten sensation novels, and scenes out of B-grade movies.

He continues this successful formula in "The Search for the Giant Squid," a book that lists every known Architeuthis sighting and stranding, includes a chapter on the making of giant squid models for museums, and expounds in some detail the efforts to classify, understand and observe this elusive cephalopod. When he wants to, Ellis can make his science almost science-fictional: "It is now assumed that the sperm whale captures its prey by emitting focused sound beams of such intensity that they can stun or even kill the prey," in particular the giant squid. Most of the battles between these Leviathans take place at depths where neither hunter nor hunted can see each other in the icy-cold blackness. Yet "the weight of giant squids eaten every year by sperm whales is greater than the weight of the entire human race." Astonishing. But the factual matter in the book has been vetted by the Smithsonian Institution's Clyde Roper, the world's leading authority on Architeuthis.

Still, say "giant squid" and few people will think of a carcass on a beach or the disgorged contents of a dead whale's stomach. Most of us will remember the thrilling scene in the 1954 movie "Twenty Thousand Leagues Under the Sea," when the crew of the Nautilus battles a ferocious monster squid in a hurricane, and Ned Land saves the life of Captain Nemo by driving a harpoon into the writhing nightmare's brain.

Ellis devotes a leisurely chapter to the giant squid in literature and film, touching on Tennyson's early poem "The Kraken," Ian Fleming's "Dr. No," Michael Crichton's "Sphere," Arthur C. Clarke's "The Deep Range," Annie Proulx's "The Shipping News," H.G. Wells's short story "The Sea Raiders,"

and Peter Benchley's "Beast." In comparing "The Search for the Giant Squid" to the chapters on the beast in "Monsters of the Deep" I noticed that some of the more melodramatic steel cogwheels, paperback covers and movie stills had been left out of this book-length treatment. Was this an effort to emphasize sober science over garish folk belief? And was this why there was no allusion to the squid as an avatar of that favorite motif of pop psychology, the vagina dentata?

More generally, Ellis's easygoing prose suffers from needless repetitions — on page 150, for instance, we learn that a certain species of squid "has an almost worldwide distribution" and on page 152 that the same animal is "worldwide in distribution."

So "The Search for the Giant Squid" could have been more tightly edited and a just a bit flashier. But Ellis is fun to read, knowledgeable and enthusiastic. Moreover, Lyons Press has produced a beautiful book, starting with its striking dust jacket (the author's own painting of a reddish giant squid with an enormous staring eye) and continuing with generous margins, thick paper and lots of drawings and photographs. More books should look this good.

This is the sort of volume — like the studies of exotic zoology by the late Willy Ley — that 14-year-olds dream over, peering rapturously at the old engravings, imagining the spectacle of a giant squid locked in battle with a sperm whale. Of course, in the face of this sinuous monster of the id, even adults will tend to feel a little awestruck. As Tennyson wrote, "this ancient, dreamless, uninvaded sleep! The Kraken sleepeth" — until, that is, the Earth's last fiery days, when "once by man and angels to be seen, / In roaring he shall rise."

Washington Post Service

BRIDGE

By Alan Truscott

AROUND the world, the number of bridge players has been growing steadily, but in North America the number is slipping. In the last two years the membership of the American Contract Bridge League has dropped by slightly more than 1 percent and is now slightly more than 166,000.

The recent Fall Nationals in Orlando, Florida, saw a larger drop: The attendance of 12,035 tables was down 20 percent from the same tournament six years ago.

The best defensive play reported during the tournament is perhaps the diagramed deal played during the Open

Board-a-Match Teams. Almost all South players reached one no-trump, usually by the auction shown, and the opening lead was a heart. The heart queen won the first trick and declarer led the club jack, for a finesse that lost to the queen.

The defense persevered with hearts; and after holding up the ace for one round, South led to the club king. East could not hold up, so the contract was made, almost always with an overtrick.

But at one table the play varied in a spectacular fashion. When Brian Gummell of Jacksonville, Florida, held the East cards, he won the first club trick with the ace, not the queen. South naturally concluded that the club queen

was on his left, and took another club finesse after winning the third round of hearts. Now South was cut off from the club winners in his hand.

East returned the spade jack, covered with the queen, king and ace. South cashed dummy's club king and led the spade nine. There were two possibilities now. East could duck, scoring two spade tricks when the suit was led again from dummy but having to lead diamonds in the ending.

Or South could win and return a spade, forcing dummy to lead a diamond.

The best South could do was to lead a low diamond, and take two diamond tricks at the finish. Either way, South was held

to seven tricks, which was crucial playing board-a-match. Gummell's coup won the board for his team.

NORTH			
♠ A 8 8			
♥ 9 8 7			
♦ A Q 9 2			
♣ K 7 4			
WEST			
♠ K 7 8			
♥ K 10 3 2			
♦ K J 8			
♣ 8 5 3			
EAST			
♠ J 10 3 2			
♥ J 6 4			
♦ 7 5 4 3			
♣ A Q			
SOUTH (D)			
♠ Q 5 4			
♥ A Q 5			
♦ 10 6			
♣ J 10 9 8 2			

Both sides were vulnerable. The bidding: South: 1♣, 2♦, 3♥, 4♠, 5♠, 6♠, 7♠, 8♠, 9♠, 10♠, 11♠, 12♠, 13♠, 14♠, 15♠, 16♠, 17♠, 18♠, 19♠, 20♠, 21♠, 22♠, 23♠, 24♠, 25♠, 26♠, 27♠, 28♠, 29♠, 30♠, 31♠, 32♠, 33♠, 34♠, 35♠, 36♠, 37♠, 38♠, 39♠, 40♠, 41♠, 42♠, 43♠, 44♠, 45♠, 46♠, 47♠, 48♠, 49♠, 50♠, 51♠, 52♠, 53♠, 54♠, 55♠, 56♠, 57♠, 58♠, 59♠, 60♠, 61♠, 62♠, 63♠, 64♠, 65♠, 66♠, 67♠, 68♠, 69♠, 70♠, 71♠, 72♠, 73♠, 74♠, 75♠, 76♠, 77♠, 78♠, 79♠, 80♠, 81♠, 82♠, 83♠, 84♠, 85♠, 86♠, 87♠, 88♠, 89♠, 90♠, 91♠, 92♠, 93♠, 94♠, 95♠, 96♠, 97♠, 98♠, 99♠, 100♠.

INTERNATIONAL

2 West African Officials Try Sierra Leone Mission

Agence France-Presse

FREETOWN, Sierra Leone — Several West African diplomatic initiatives aimed at ending the fighting in this capital, where rebels moved in four days earlier, began Sunday.

The Togolese and Ivorian foreign ministers left Ivory Coast late Sunday morning, heading for Freetown via Conakry, according to diplomats in Abidjan. The ministers, Joseph Koffignat and Amara Essy, plan to meet President Ahmad Tejan Kabbah after talks with the detained leader of the rebels, Foday Sankoh, in an effort to resolve the crisis.

They also hope to meet the rebel commander Sam Bockarie, who rejected a cease-fire announcement by Mr. Kabbah, and insists on meeting Mr. Sankoh on neutral territory before considering a truce.

On Saturday night, a Boeing 747 landed at Freetown's international airport, bringing in hundreds of soldiers to reinforce Ecomog, the Nigerian-led regional intervention force that is battling rebels of the Revolutionary United Front and soldiers of a Sierra Leone junta that was ousted in February.

Several dozen Ghanaian soldiers also arrived Saturday at Lungi airport, which is one of the rebel targets, according to Mr. Bockarie.

Fighting continued Saturday in the capital, separated from Lungi by a wide estuary.

Around 60 wounded Ecomog troops were brought from central Freetown to Lungi on Saturday, some on stretchers, others carried by their colleagues, journalists at the airport reported.

On Sunday morning, there was no sound of gunfire in the western part of Freetown, nor of the Ecomog jets that had flown over the city in recent days.

It remained unclear who controlled the center of the capital, where residents were staying indoors, deprived of electricity and water and faced with dwindling stocks of food.

Many buildings had been burned.

2 Reporters Shot in Freetown

Two journalists for The Associated Press were shot Sunday while covering the civil war in Sierra Leone, the AP reported from Freetown.

The two were among a group of journalists and officials of the Information Ministry who were traveling in four cars through central Freetown. They were being escorted by Ecomog troops.

Medical confirmation of the reporters' condition was not immediately available.

The journalists' names were being withheld by the AP until family members could be informed.

Centrist Parties Win in Nigeria

Agence France-Presse

LAGOS — The center-left People's Democratic Party won state elections, results showed Sunday, confirming it as the leading political party in Nigeria as the country took another step toward ending military rule.

The People's Democratic Party, led by General Olusegun Obasanjo, a former military ruler, won 18 governorships, against nine for the center-right All People's Party and six for the radical Alliance for Democracy, out of 33 confirmed results.

Millions turned out Saturday to elect governors and assemblies for 35 of Nigeria's 36 states in the second of a series of elections due to return Nigeria to civilian rule in May.

One state, Bayelsa, where troops and residents clashed last month, did not have a vote.

The Alliance for Democracy secured a widely predicted victory in the economic capital, Lagos, when Bola Tinubu was elected governor. It was a remarkable turnaround for Mr. Tinubu, an exiled opponent of the late General Sani Abacha who returned to Nigeria only late last year.

The state vote will be followed by legislative and presidential polls next month to complete the election of multiple levels of civilian government. Local elections were held in December.

A return to civilian rule has been promised for May 29. Since independence in 1960, the military, headed since June by General Abdulsalamu Abubakar, has dominated Nigeria.

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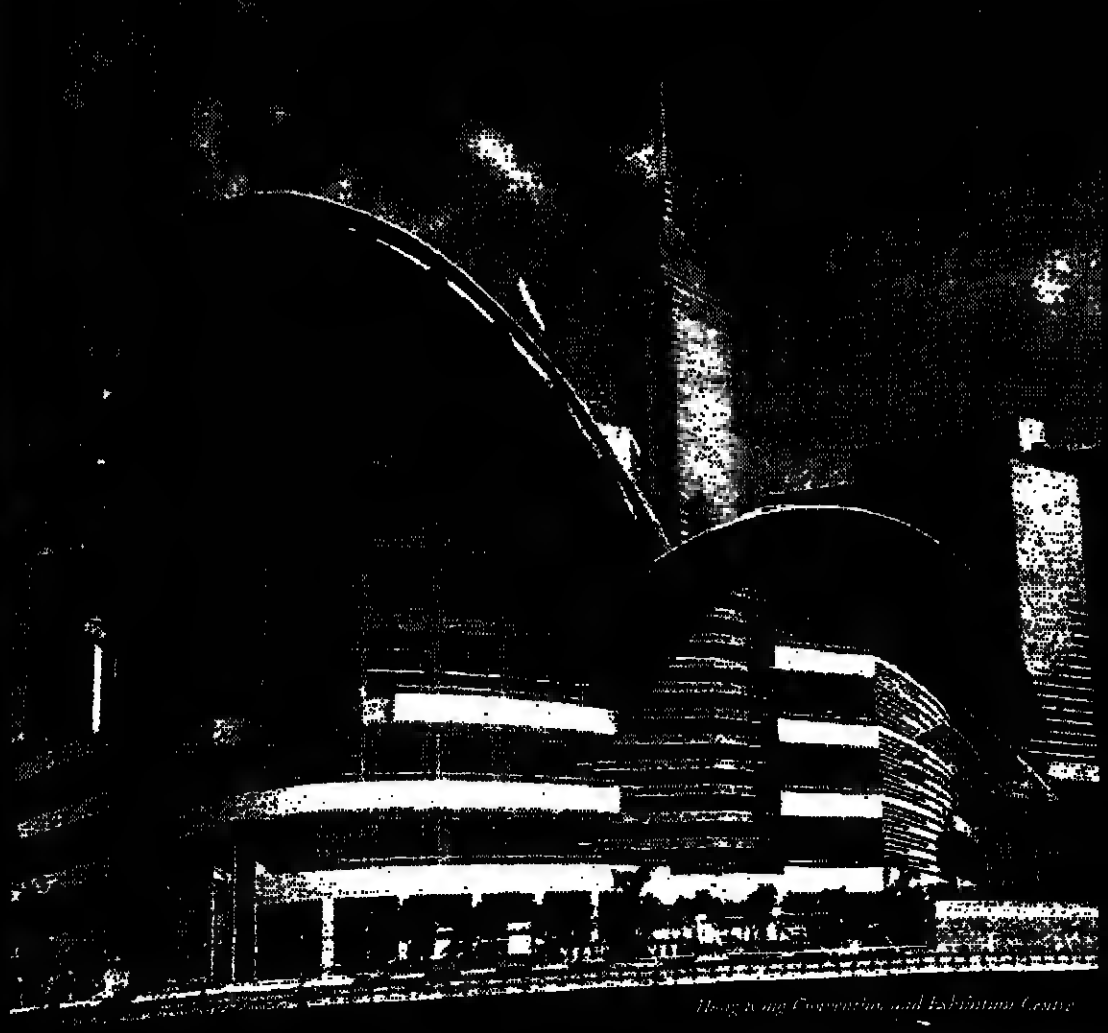
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INTERNATIONAL

Iraq Backs Off Voting On Challenge to West

Parliament Was Set to Reject UN Resolutions

By Douglas Jehl
New York Times Service

CAIRO — After more than a month of defiance, the Iraqi government inexplicably postponed a vote Sunday in which its Parliament had appeared ready to take further steps along a collision course with its Western foes.

Instead, Parliament issued only a mild statement critical of last month's American-led air strikes against Iraq, which had prompted calls within the legislature for measures that would have been a direct challenge to the United Nations.

No reason was given for the postponement, which came at the end of an extraordinary two-day meeting of the legislative body.

The Parliament is an instrument of the government of President Saddam Hussein, and it appeared that Baghdad had decided to skirt a further confrontation. Only hours before Sunday's vote, the majority of the 250-member Parliament had appeared ready to formally reject several of the UN resolutions that were imposed against Iraq at the end of the 1991 Gulf War.

Instead, Parliament adopted a resolution calling only for reparations to be paid for damages from last month's air strikes. Still, members of Parliament said consideration of tougher measures, including the possible repudiation of Iraq's border with Kuwait, could resume by the end of the month.

Until Sunday, the Iraqi reaction to the air strikes had followed an increasingly confrontational path. In the weeks since the attacks ended Dec. 19, the Iraqi government has challenged American warplanes and called on other Arabs in the region to rise up against governments aligned with the United States.

That has prompted renewed warnings

from the West, including a statement this past weekend by Prime Minister Tony Blair of Britain that warned of further military action if Iraq appeared once again to be threatening its neighbors.

Statements by members of the Iraqi Parliament had suggested a readiness to push matters even further, by reversing a 1994 vote in which Iraq recognized neighboring Kuwait within its current borders. It was Iraq's invasion of Kuwait in 1990 that triggered its the Gulf War and the continuing confrontation with the West.

But the resolution that the Parliament adopted Sunday made no mention of that and other confrontational proposals. It called only for Kuwait and Saudi Arabia, which have served as bases for Western military operations against Iraq, to pay reparations for the damages caused by the four-day attack.

The Parliament did reinforce the government's rejection of Western-imposed no-fly zones over the country. It said Iraq should continue its military opposition to the American and British aircraft that have been patrolling the zones over southern and northern Iraq.

By setting aside a more confrontational message, Iraq may have been trying to limit hostility from the Arab world. Since the air strikes ended, Iraqi frustration over a lack of Arab backing has been mounting, but it has been met mostly with disdain from governments like Egypt's.

More than at any time since the 1991 war, Arab governments are expressing outright hostility to the government of Mr. Saddam. But the Arab governments remain opposed to the air strikes.

Reports in several Saudi-owned newspapers Sunday said that the Riyadh government, the base for Western military operations against Iraq in 1991, was ready to press for an end to economic sanctions against Iraq as long as military pressure against Baghdad continues.

2 Arab States Accuse Saddam

Saudi Arabia's official news agency on Sunday urged Iraqis to oust Mr. Saddam, a call echoed by the Egyptian foreign minister. The Associated Press reported from Jidda.

The Saudi Press Agency accused Mr. Saddam of killing and torturing thousands of Iraqis. Calling him the "Baghdad tyrant," the commentary said it is the Iraqi people who "need a revolution" to topple him.

In similar comments to be published Monday in a Berlin newspaper, Foreign Minister Amr Moussa of Egypt said Mr. Saddam was "shaming the entire Arab region through his politics." The Berliner Kurier quoted Mr. Moussa as saying that Mr. Saddam has caused "unending suffering to his people."

"Iraq is a rich country that has become poor under Saddam Hussein's regime," Mr. Moussa was quoted as saying. "We are of the opinion that he is no longer capable of being responsible for his country's politics."

He added, "Iraq needs a new government."



A Yugoslav Army convoy heading Sunday toward a village near Podujevo, in northern Kosovo.

KOSOVO: Rebels Won't Free Soldiers Without Prisoner Exchange

Continued from Page 1

slav troops and armaments were deployed Saturday. There was still no clear picture of casualties from the previous day's shelling.

The new OSCE chairman, Foreign Minister Knut Vollebæk of Norway, arrived in Belgrade for talks with top Yugoslav officials, including President

Slobodan Milosevic, and he was due to visit Kosovo on Tuesday.

And Chris Hill, the U.S. mediator for Kosovo, was in Pristina to continue seeking a solution to bolster the October truce, which has been severely strained by the latest bout of violence. So far, his attempts have brought no tangible result.

Despite the growing tensions and vi-

olence, many Kosovo watchers said the situation was unlikely to return to an all-out war, at least for the time being.

During the crackdown last year by Yugoslav forces against separatist guerrillas, as many as 2,000 people were killed and 250,000 were made refugees. Ninety percent of the population of Kosovo are ethnic Albanians.

(AFP, Reuters)

BOSNIA: Serb War-Crimes Suspect Is Killed by NATO Soldiers

Continued from Page 1

The tribunal's chief prosecutor, Louise Arbou, expressed regret at the outcome of the arrest attempt, and called upon the remaining 30 indictments still at large to surrender "to avoid undue exposure to risk for the accused" and for the NATO-led troops who trying to arrest them. The tribunal has indicted 57 people, and 26 suspects have given themselves up or been apprehended.

The last casualty during an arrest operation was in July 1997 when another former police chief, Simo Drljaca, was shot and killed when he fired on British soldiers trying to arrest him near the northwestern town of Prijedor.

Mr. Gagovic was at the top of the list of eight indictments grouped under Foca, the town's name. As its police chief beginning in April 1992, Mr. Gagovic oversaw the detention of local Muslim women, children and elderly men held in a sports hall. That facility, according to the indictment, was the scene of "inhuman treatment, unhygienic facilities, overcrowding, starvation and psychological torture, including sexual assaults."

Mr. Gagovic's men regularly beat, raped and gang-raped the female detainees, prosecutors charge, and they contend that Mr. Gagovic, quartered nearby, had good reason to know what was going on. "On or around 17 July, 1992, Dragan Gagovic personally raped one of the women who, on the previous

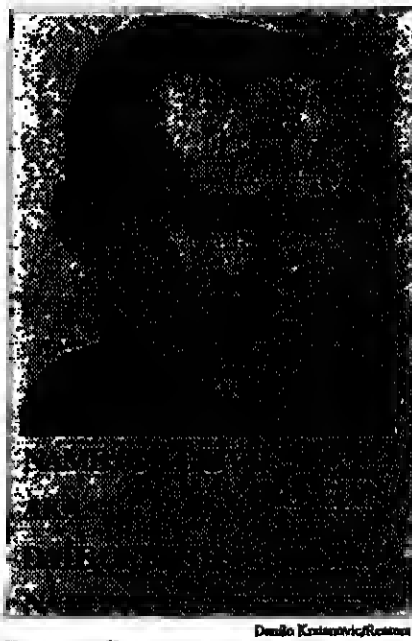
day, had complained about the incidences of sexual assaults," part of the 1996 indictment reads.

Last year, Milorad Kvojevic, who also was indicted on rape charges, surrendered to NATO troops and is in custody in The Hague. The town of Foca was described by Human Rights Watch in a report last summer as a haven for six men indicted by the UN criminal tribunal prosecuting atrocities in the former Yugoslavia's 1992-1995 war. Among the six, according to a Bosnian daily newspaper, was the most wanted man on the tribunal's list, Radovan Karadzic, the wartime political leader of the Bosnian Serbs.

Officials said they had no information on whether the arrest attempt Saturday was connected in any way with the apprehension of Mr. Karadzic. The potential for shootouts during arrests is often cited by NATO and other defense officials to explain why key fugitives are still at large, even though their whereabouts and movements are often well known to Western military personnel.

Defense Minister Alain Richard of France was in Bosnia nine days ago, reaffirming Paris's determination that Mr. Karadzic and the other accused Serbs, Muslims and Croats be brought to justice in The Hague. The latest arrest operation could have been launched in part to answer persistent questions about France's commitment to the war crimes tribunal.

France has long-standing ties to the



Dragan Gagovic as he appeared on a NATO list of war-crimes suspects.

Serbs, dating to the two world wars, and Serbs constitute the largest group on the list of tribunal indictments and the smallest proportion of those in custody. A year ago, Mr. Richard expressed contempt for what he called "show trials" in the Hague by refusing to allow French officers to testify.

Conservatives Split in France Over a Victory

By Craig R. Whitney
New York Times Service

PARIS — Leaders of the French conservative political parties that lost the last national elections in 1997 were at each other's throats again this weekend, this time over a victory.

After three days of political knife-fighting, back-stabbing, and maneuvering amid furious charges of betrayal, a centrist conservative was finally elected head of the Rhone-Alpes regional parliament in Lyon on Saturday, but only with support from Socialist members.

Anne-Marie Comparini, a member of Mayor Raymond Barre's Union for French Democracy and one of his deputies, won after a 37-hour marathon of bartering that even Mr. Barre had described as "a disgusting spectacle."

The biggest loser was former Defense Minister Charles Millon, who had been head of the regional parliament since 1988. But when he accepted support from the extreme-right National Front last spring to hang onto that post, the Union for French Democracy threw him out of the party.

Pact-making with the National Front had been anathema to moderate rightists until last year, when the Socialists and other leftist parties whittled down the conservative vote in elections for regional assemblies.

These legislatures control millions in local spending on schools and public works, and many national leaders also sit in them.

The setback in the regions last March, less than a year after the defeat of a conservative government in Paris by the leftist coalition that put Prime Minister Lionel Jospin in power, threw the right into turmoil.

Three other mainstream conservative regional assembly leaders accepted support, as Mr. Millon did, from the National Front, which President Jacques Chirac denounced as racist and xenophobic for policies that call for expulsion of illegal immigrants.

Conservative leaders in Paris purged the apostates and formed a new umbrella campaign organization last spring called the Alliance.

It was a pretty shaky alliance. Its leader, Philippe Seguin, was furious at the deal with the left that brought Mrs. Comparini to power in Lyon this weekend. Mr. Seguin's party, the Rally for the Republic movement founded by Mr. Chirac, said, "Political confusion by nature weakens democracy and only serves the interests of extremists and their allies."

"I hope the Alliance has not broken up — let's say it's in seriously bad shape," a spokesman for Mr. Seguin, Francois Fillon, said in an interview with the conservative Journal du Dimanche. But his party and its leaders, he said, expected their partners to explain why they had accepted leftist support to win.

Francois Bayrou, head of the Union of French Democracy, congratulated Mrs. Comparini on her victory and said that while left and right would mostly keep going their separate ways, the vote had shown that they could meet to defend essential French republican values against extremism if necessary.

Mr. Millon, who has started a party of his own called The Right, demanded new regional elections and said that he was sure the right, whatever that might now be, could win them. "The Alliance has blown up in mid-air," he told French radio.



BRIGHT LIGHTS, BIG CITY — A young boy taking in the neon signs outside a shopping center in Beijing on Sunday. Inside is a movie studio with three Hollywood sets.

BEAUTY: Aspiring to 'Big Nose' Look in West, Chinese Submit to Surgeons' Knives

Continued from Page 1

find a wife," said Wen Biao, 26, a computer programmer with puppy-dog eyes from southern China who spent three days on a train to come to the Plastic Surgery Hospital attached to the Chinese Academy of Medical Science. "I already have a good job."

"My family thinks it's a great idea," he added, pointing out that his mother did not begin to wear makeup until the 1980s, when she was past 50, because of worries that she would be criticized as bourgeois. "They're all interested in bigger noses."

Dr. Zhou said his patients generally ask him to make them look more Western. Indeed, his main business involves slicing eyelids in half to make the eyes seem deeper-set. The operation creates a double-edged eyelid, and Dr. Zhou thinks it is very attractive. "It looks foreign," he said, "and that means it's exotic."

Next in line are nose jobs — again, Dr. Zhou said, his patients think their noses are too small, too flat. "Not bold enough, not Western."

This is curious because a typical, semi-Chinese use to tease foreigners is *da bi* or "big nose." "Well, we don't want our noses big like yours," a nurse working with Dr. Zhou scoffed at a Western

visitor. "We just want them a little higher, a little more expressive."

At the Plastic Surgery Hospital, a nose job costs \$300 — a month's earnings for a middle-class urban resident.

Dr. Zhou offers a book full of before-and-after photographs showcasing his handiwork. A part-time poet, the avuncular doctor has illustrated the photographs with euphonic descriptions: "Peasant brother becomes film star" accompanies one man's mug shots after a small, flat nose was given a bridge and elongated noticeably. "Ugly duckling into a white swan" goes with a woman in her early 30s whose post-operation shot shows her decked out like a temptress in the Arabian Nights.

"Ooo-ooo," Dr. Zhou murmurs (Chinese for "hubba-hubba").

Most of Dr. Zhou's patients initially were actors and actresses. Indeed, according to Song Yeguang, president of the Chinese Plastic Surgery Society, before 1978 actors and actresses were the only ones who were allowed to have plastic surgery, and then only after a long permission process. Since 1978, however, plastic surgery has been open to the masses.

Exchanges with U.S. doctors began in 1982, and Chinese surgeons began to retrain themselves in the surgery's techniques.

"In the beginning we didn't even know how to

do pierced ears for earrings," Dr. Song said. Now private plastic surgery hospitals are sprouting up in richer Chinese cities. Hainan Island in southern China boasts one called the Dreaming Girls Fantasy, a 12,000-square-foot (1,080-square-meter) establishment staffed with doctors "trained in plastic arts from Brazil," on advertisement said.

After eyelids and noses in popularity come breast implants, although Dr. Song said interest has been tapering off because of concerns about the safety of silicone.

That, in turn, has spawned a market of bizarre goods.

The pages of Chinese women's magazines sprinkled with advertisements for products designed to enhance breast size. One product, sold a company that used to make handbags in western city of Xian, promises bigger breasts jolting the chest with a powerful shock. Another item hawked by the factory guarantees suction through suction cups.

Back home a few weeks later, Miss Lang said she was happy with her new nose. It was worth the month's salary, she said. "No, I don't have boyfriend, yet," she said in a phone interview. "I feel more optimistic now. It's a new beginning."

EMBASSIES: Security Pleas From U.S. Ambassador in Kenya Went Unheeded at the State Department

Continued from Page 1

threat was unfounded, but some officials believe the inquiry was botched, and the agency's inspector-general is investigating how it was handled.

State Department officials brushed aside General Anthony Zinni, commander of the U.S. Central Command, who had visited Nairobi on his own and warned that the embassy there was an easy and tempting target for terrorists. General Zinni's offer to send his own specialists to review security in Nairobi was turned down by the State Department.

The State Department had all but abandoned the commitment it made after the 1983 bombing of the Beirut embassy to improve embassy security. Department officials had long since stopped asking Congress for the money needed to meet its own standards, and had adopted a strategy of improving the handful of embassies it believed were at greatest risk. Nairobi was not one of them.

Ms. Bushnell, in a rare interview about the bombing, said by phone from Nairobi on Friday: "This is a tragedy in the real sense of the word, and it's a tragedy that has caused us to think differently. We no longer operate under the assumptions that

we did in the past." A report made public Friday by a commission appointed by Mrs. Albright excoriated the State Department for failing to safeguard American missions against terrorist attacks, particularly for the practice of giving vulnerable missions like the one in Nairobi lower priority when experience shows they make tempting targets for terrorists.

But the report, signed by Admiral William Crowe, former chairman of the Joint Chiefs of Staff, concluded that "intelligence provided no immediate tactical warning of the Aug. 7 attacks."

Still, classified cable traffic and intelligence reports, which were not included in the public version of Admiral Crowe's report, show that while none of the warnings gathered by U.S. intelligence in the year before the bombings pointed to a particular act of terrorism on a particular day, the United States had growing evidence that the embassy was a target of terrorist plots, and that terrorists hostile to American interests were active in Kenya.

State Department officials insist that they were sympathetic to Ms. Bushnell's concerns. They added that it was impossible to respond to each terrorist threat it received. Department officials

also assert that even if Ms. Bushnell's requests had been granted, a new embassy could not have been in place in time to prevent the attack in August.

They also said they were told at the time by the CIA that the threats in Nairobi had either proved unfounded or had been dealt with by Kenyan authorities.

Administration officials said Ms. Bushnell began raising concerns about the embassy's security soon after her arrival in Nairobi in 1996.

She sent two cables to headquarters in December 1997, outlining the dangers and asking for a new embassy. Her request was not seriously considered, officials said, when senior State Department officials met in January 1998 to set a budget for embassy construction in the coming year.

"It didn't come up on the radar screen," said a senior administration official.

This prompted Ms. Bushnell to go directly to Mrs. Albright. In memos sent in April and May, she asked Mrs. Albright to cite Nairobi's vulnerability to Congress in seeking more funds for security. In addition, Ms. Bushnell was lobbying every senior American official and member of Congress who came to Nairobi.

While none of the terrorist threats investigated by the CIA panned out, they focused Ms. Bushnell's attention on just how vulnerable her embassy was.

By the mid-1990s, the global investigation touched off by the 1993 World Trade Center bombing had focused on Mr. bin Laden and his associates. FBI agents from New York were hard at work building a criminal case against the Saudi exile. At the same time, the CIA was tracking the group's movements and finances in hopes of preventing attacks.

One trail led to Kenya where the agency discovered that Mr. bin Laden's operatives were living in the country. Intelligence officials say they briefed Ms. Bushnell about the presence of the group in early 1997 but told her there was no evidence of a specific threat against the embassy or American interests in Kenya.

In the summer of 1997, American intelligence officials began to look more closely at what Mr. bin Laden was doing in Africa. The CIA identified an intriguing suspect: Wadhi Hage, a Lebanese-born American citizen in Kenya who was believed to have close ties to the leadership of Mr. bin Laden's group. American officials prodded their

Kenyan counterparts to raid Mr. Hage's home in Nairobi, an overture that was shared with Ms. Bushnell and others in the embassy.

Kenyan police, accompanied by the CIA and FBI, searched the house in August 1997. They found his computer, downloaded its files, and read a letter describing the existence of an "East African cell" of Mr. bin Laden's group.

The author of the letter mentioned recent attempts by American intelligence to investigate the group's Kenyan operations and alluded to its role in attacking American soldiers in Somalia a few years earlier. According to the document, the group had moved incriminating files from Mr. Hage's house and hidden them elsewhere.

That reference set off alarm bells. American officials suspected that the missing files might contain evidence of a coming attack by Mr. bin Laden's Kenyan operatives.

The working theory, officials said, was that such a plot would be aimed at another country, with Nairobi used as a "jumping-off point."

A law enforcement official said American investigators began a "somewhat frantic, concerted effort" to locate the missing files.

CLINTON: Trial Outlines Clearer

Continued from Page 1

is resolved, both sides will have to rely on the 7,000 pages of grand jury testimony and supplementary evidence sent to the House of Representatives by the independent counsel, Kenneth Starr.

The House prosecution team says that the record convincingly confirms that Mr. Clinton committed perjury and obstructed justice. The White House says that while the record shows that the president was guilty of objectionable conduct, he did nothing unlawful, let alone impeachable.

Other partisan disputes become more evident Sunday.

Senators on the television program split nearly on party lines on whether the Senate should at some point consider censuring the president.

They also split on the question of whether he should give his State of the Union address, scheduled for Jan. 19 before a televised joint session of Congress. Most Republicans urged him to delay the address or submit it in writing, most Democrats said he should deliver it on schedule.

Senators also were divided on how much of their historic proceedings should be conducted behind closed doors.

The only other presidential impeachment trial, that of President Andrew Johnson in 1868, included witnesses and several closed sessions before he was found not guilty by one vote.

Senator Tom Daschle, the Democratic leader in the upper chamber, said that he expected the White House to move — although only after opening arguments — to end the trial. But asked if he expected the necessary 51 senators would vote for the motion, he said, "I don't think I can say that with any confidence."

Mr. Daschle said that he remained opposed to the calling of witnesses. He and other Democrats have said that the extensive record compiled by Mr. Starr should form a sufficient factual basis for the trial.

Under the Senate plan, either side would have to make a case for any witness it wanted to call. If 51 senators approved the request, the witness would have to give depositions to lawyers for both sides. Senators would review written transcripts of the deposition before voting whether to hear the witnesses in person, either in open or closed sessions.

"If the House says that it is essential to hear witnesses," asserted Senator Orrin Hatch of Utah, chairman of the Judiciary Committee, "it's going to be pretty hard for senators to vote against that."

With a 53-to-45 Republican majority in the Senate, it appeared likely that at least some witnesses would be approved, though probably fewer than the House "managers" want.

One of those managers, Representative Asa Hutchinson, Republican of Arkansas, said he had hoped that 10 to 14 witnesses could be called, but added, "That's not going to happen now. I would say it would not be more than half a dozen."

Those he said, would probably include Ms. Lewinsky, the Clinton confidant Vernon Jordan Jr., and the president's secretary, Betty Currie. Another possible witness, he said, was Judge Susan Webber Wright, the federal judge who presided over the Paula Jones sexual harassment case against Mr. Clinton.

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EUROPE

As Scandals Rise, Blair Urges Focus on Policy

By Tom Buick
International Herald Tribune

LONDON — Seeking to end a string of resignations and infighting that has marked his government's worst weeks in office, Prime Minister Tony Blair dismissed talk of cabinet rifts Sunday and vowed to keep his sights focused on the "big picture" of stable economic growth, education and welfare reform and constitutional change.

But Mr. Blair's attempt to emphasize policies rather than personalities was undermined by a damaging portrayal of Foreign Secretary Robin Cook as a hard-drinking womanizer in a book by his former wife and allegations of a potential conflict of interest involving Gordon Brown, the chancellor of the Exchequer.

The latest disclosures coincided with the first significant signs of erosion in the popularity of Mr. Blair's government. A poll made public last week showed that the Labour Party's approval rating had fallen be-

low 50 percent for the first time since the general election in May 1997.

The difficulties amount to a serious political headache for the prime minister as he begins a particularly difficult year. An economic slowdown threatens to derail the government's plans to raise spending on education and health care, the successful inauguration of the euro has put Mr. Blair on the defensive over his wait-and-see attitude toward joining monetary union, and Labour faces the prospect of significant losses in a series of elections this spring.

Under the headline "Rotten Robin," The Sunday Times published extracts from a new book by Margaret Cook in which she said that the foreign secretary had a string of affairs during their 28-year marriage, drank heavily and felt he had "sold his soul to the devil" by abandoning his left-wing principles to support Mr. Blair.

It was a particularly bitter attack from a woman who was dumped by her husband, while the two were preparing to leave Heathrow Airport on

vacation in August 1997, after Mr. Blair's press secretary warned Mr. Cook that the press was about to disclose his affair with his secretary, whom he later married.

The opposition Conservative Party called Sunday for Mr. Cook to resign or be fired, saying that the allegations came on top of a "disastrous" record, including diplomatic incidents with India and Israel and a scandal over the sale of British arms to Sierra Leone. But Mr. Blair insisted he had "every confidence in Robin Cook, who is doing a superb job." In a BBC television interview Sunday, he also appealed for the media and the public to focus on issues.

"Judge us on the things that are important," he said. "We can either go through the personal lives of all cabinet ministers and pick them apart, or we can decide that the government should be judged on the policies it has made."

The problem for Mr. Blair is that either way, the government faces a difficult challenge.

On a personal level, the prime minister's standing remains shaken by the resignation Dec. 23 of Peter Mandelson, his closest adviser and the trade secretary, for failing to disclose a loan from a cabinet colleague whose finances were under investigation by Mr. Mandelson's department.

The disclosure forced the resignations of the colleague, Geoffrey Robinson, the paymaster general, and of Charlie Whelan, the spokesman for Mr. Brown and the man who was said to have leaked details of the loan. It also revived speculation about rivalry between Mr. Blair and Mr. Brown stemming from the 1994 contest for the leadership of the Labour Party.

Fresh allegations related to Mr. Brown appeared destined to keep the intrigue alive. The Conservatives demanded a fresh inquiry into Mr. Robinson's influence after a newspaper reported that a magazine he owned, New Statesman, had paid more than £100,000 (\$164,000) to a public relations firm run by Mr. Brown's girlfriend, Sarah Macanlay.



Robin Cook with his wife, Gaynor Regan, formerly his secretary. A new book by Mr. Cook's former wife, Margaret, attacks him.

BRIEFLY

Chechnya to Adopt Islamic Framework

MOSCOW — The breakaway Republic of Chechnya intends to adopt a new, Islamic constitution, a Russian news agency reported Sunday.

Appearing on Chechen state television Saturday, President Aslan Maskhadov mapped out his plans to adopt a new constitution based on the Koran, the Muslim holy book. Already, Chechnya considers itself to be an Islamic republic and relies on Islamic law.

Mr. Maskhadov said the changes would take place within three years, after which the government would hold presidential and parliamentary elections. (AP)

Bulgarian Party Attacks Reforms

SOFIA — Two years after the start of riots that ultimately knocked them from power, leaders of the ex-Communist Socialist Party denounced Bulgaria's reforms Sunday and urged the pro-Western government's ouster.

The Socialist leader, Georgi Parvanov, appealed for backing from 7,000 mainly elderly supporters at a rally in Sofia's central Aleksandar Nevski Square.

But with Prime Minister Ivan Kostov enjoying a strong majority in Parliament, the comments were seen more as a public appeal linked to this year's local elections. (AP)

Santer Says Kohl Could Be Successor

BERLIN — Jacques Santer, president of the European Commission, named former Chancellor Helmut Kohl as his possible successor during a weekend radio interview.

Mr. Santer, whose term ends Jan. 6, 2000, told Inforadio Berlin Brandenburg that Mr. Kohl's long history as a statesman had earned him such a position. "He would be ideal," Mr. Santer, of Luxembourg, said Saturday.

Mr. Kohl lost elections in September after 16 years as German chancellor. During his period in office, he oversaw the reunification of East Germany with the West and was a main force behind the Jan. 1 launch of the euro. (AP)

Poland Drafts Camps Law

Agence France-Presse

JERUSALEM — President Aleksander Kwasniewski of Poland met with Israeli leaders Sunday and promised quick action to "protect" the Auschwitz-Birkenau concentration-camp site, where Roman Catholics have erected crosses and a church, infuriating Jews.

During a visit to Yad Vashem museum and a memorial to the six million Jews killed in the Holocaust, Mr. Kwasniewski said he would show Israeli leaders draft legislation protecting the Auschwitz-Birkenau complex and similar sites of "martyrdom and remembrance."

"I expect this problem will be discussed and decided on by the Polish Parliament, which will discuss a special law — how to protect such places — in the next months," he said.

Mr. Kwasniewski did not provide details of the draft law, but last month Prime Minister Jerzy Buzek of Poland promised that dozens of crosses planted outside Auschwitz would be removed. However, the prime minister said that a large crucifix the Pope used at a 1979 open-air Mass at Auschwitz, around which the other crosses have been placed, would remain.

European Commission Faces Censure Vote on Graft

By Barry James
International Herald Tribune

BRUSSELS — Fresh from its success in masterminding the inauguration of a single currency for 11 nations, the European Union's executive body, the European Commission, faces a motion of censure by the European Parliament this week over allegations of graft and mismanagement.

If the vote goes against them, the 20 commissioners would be required to step down or accept a caretaker status.

That possibility is remote, officials of the Commission and the Parliament said, but nevertheless an unexpected head of steam has built up over the allegations, which have been simmering for months.

The president of the Commission, Jacques Santer, last week acknowledged cases of mismanagement, but he defended both himself and fellow commissioners against suggestions of dishonesty.

"We have had difficulties with our management," he said. "We are trying to overcome them. But to call into question in a global and indiscriminate way the whole workings of the Commission, that's just intolerable."

Seven commissioners, including Mr. Santer, face unsubstantiated allegations in Parliament that they abetted or covered up the misuse of funds. Internal investigations have uncovered no in-

cidents of fraud involving commissioners, although several cases involving lower-level officials have been placed in the hands of the Belgian and Luxembourg judicial authorities. Those cases mostly refer to actions carried out during the previous commission, which was headed by Jacques Delors.

Mr. Santer and Erkki Liikanen, the Finnish commissioner in charge of the budget and administration, both rejected charges they had diverted EU contracts to their wives.

Last year the European Court of Auditors criticized the Commission's handling of the 85 billion euro (\$99 billion) EU budget. In December the Parliament refused to accept the EU's 1996 accounts, setting in motion the current crisis. The Commission then suspended at half-pay a 41-year auditor, Paul van Buitenen, after he took accusations of fraud to the parliamentary Green Party, with which he is affiliated.

Mr. van Buitenen has acquired the aura of a heroic whistle-blower in some circles. However, Mr. Santer said that not only was there nothing new in his allegations but they also had compromised cases that are before the courts. Mr. Santer said he was justified in suspending Mr. van Buitenen because he had

gone outside the proper channels.

Paradoxically, the censure motion, scheduled for a vote in Strasbourg on Thursday, has been brought by the leadership of the Socialist Group not in order to destroy the Commission but to save it. The group is the largest in the Parliament, with 214 of the 630 seats.

The Parliament's procedures do not allow the possibility of a confidence vote. The Socialist leadership is using the blunderbuss method of calling a censure motion as a substitute for a vote of confidence. In effect, the motion calls on critics in the Parliament — including some German Socialists, plus a mix of Greens, Belgian and Dutch Liberals, Christian Democrats, British Conservatives and far rightists — either to put up or shut up.

The Commission is a favorite whipping boy for EU skeptics, and the uproar has clearly given many members of Parliament an opportunity to raise their profile before elections to the assembly in June.

Anyone looking for a conspiracy theory would have no difficulty finding one here. Many in Europe would like to reduce the powers of the Commission, which is responsible for initiating, supervising and implementing com-

munity legislation. The 20 commissioners and their staff swear loyalty to the EU, pledging not to seek or take instructions from any national government. This goes against the inclinations of those who would like to turn the EU into an intergovernmental rather than a supranational organization.

The Commission is seen as the defender of the interests of small countries, which sometimes brings it into conflict with the aims of the big powers. This appears to be the case now with Germany, which is determined to achieve a big reduction of its net contribution to the EU budget, some 11 billion euros in 1998. Spain sees the Commission as an ally in its determination to defend the agricultural support it receives from the EU. The Commission will seek clarifications from German officials on Monday during a meeting in connection with Germany's six-month presidency of the EU.

To unsettle the Commission, the Parliament would require a quorum of three-quarters of its members, and two-thirds of those voting would have to be in favor of the motion. Such a majority is unlikely, but nevertheless a substantial vote against the Commission could weaken it at a critical time, when the EU is engaged in a fundamental debate about its financing and its enlargement to include up to 10 new members in eastern and central Europe plus Cyprus.

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Herald Tribune

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Indonesia's Troubles

Since the dramatic fall from power last May of President Suharto of Indonesia, things have not been going smoothly for the world's fourth most populous nation. Just in the past few days, some of the worst violence of the year has raged in Aceh, a separatist-minded province of Sumatra, 1,600 kilometers northwest of the capital of Jakarta. At least eight soldiers and 17 civilians have been killed, and many more injured, in riots and a subsequent crackdown. The violence is a sign of the deep trouble Indonesia still faces, even as other Asian nations begin to see glimmers of possible recovery.

Elections have been scheduled for June, and Indonesians across the spectrum agree they should take place after more than three decades of authoritarian rule. But no one should be lulled into believing that elections alone can solve Indonesia's troubles, even if the vote is free and fair — a big if. Mr. Suharto's rule inflicted too much damage on civil and political institutions to expect instant recovery.

The damage is evident now in the gruesome violence taking place: Muslim against Christian, Javanese against Chinese, ethnic groups against each other. Neither the armed forces nor the police command enough respect to effectively defend law and order. Separatist movements gain in several regions and islands. Economic conditions remain dismal, with more and more children forced to drop out of school.

To all of this, the transitional government of President B. J. Habibie has offered few answers. Evidence that Mr. Habibie is mostly interested in preserving Mr. Suharto's authoritarian structures without Mr. Suharto has engendered suspicion in many quarters. Indonesians are much freer to express themselves and form political parties now than a year ago. But the Habibie government has shown far too little commitment to uncovering and punishing corruption and military abuses. Without such an effort, peace will be impossible.

The ability of the United States or any other outsider to help Indonesia in its time of trouble is limited. Budget-cutting forced the State Department in 1996 to close its only consulate on the northern island of Sumatra. Still, the United States can provide humanitarian aid, help for newborn civic organizations and technical assistance for the coming election. And it can do more to make clear it considers Indonesia's efforts to democratize vitally important, as in fact they are.

—THE WASHINGTON POST.

Insecure U.S. Embassies

The bombs that killed 258 people at the U.S. embassies in Kenya and Tanzania last August also destroyed any lingering illusions about the protection that America offers its diplomats and their employees overseas. The dismal state of security was deplored again Friday by two State Department commissions that investigated the August attacks.

They found that Washington has neglected embassy security for decades. The administration and Congress should carry out many of the report's recommendations.

The investigations were supervised by William Crowe, who has served as chairman of the Joint Chiefs of Staff and as ambassador to Britain. His two groups issued a joint report, which concluded that while security measures at both embassies followed State Department policy, that policy was deficient. Although guidelines required most buildings to have perimeter defenses 100 feet (30 meters) away, the two embassies were exempt, as were other older buildings. The report criticizes the government for complacency about security in the absence of specific terrorist threats.

—THE NEW YORK TIMES.

The Senate Way

The unanimous vote by which the Senate adopted a procedural outline for the president's impeachment trial was a heartening development. Finally, the politics and the merits of the issue may be coinciding in a way that will produce a credible result.

Senate Republicans are under pressure from conservative groups to make the trial as punishing and weakening for the president as they can. If they lack the votes to remove him from office, perhaps they can shame him into resignation. The national opinion polls that show the general public opposed to his removal by margins of roughly 2 to 1 don't matter to them.

But the polls do matter to the senators, who have to forage for votes among the public at large, and to the Republican leadership, which is eager to retain its majority in the next election. The pressures on the senators are thus contradictory — more so than they may have been on many House members answerable to narrower constituencies. If the result, however, is to lead the senators themselves to adopt a mixed position — to treat and judge the president's conduct with the contempt it deserves without in the end removing him from office — then the balance will have been about right.

That seems to be what is happening to the Republicans. It's not such a bad thing. We continue to believe that censure is the best of the bad options Mr. Clinton has left the country. At some point in the process he should be led to acknowledge as he has not that massive lying such as his has a bearing on the fitness of an elected official to serve.

Most Democrats have already come

to censure, but from the opposite direction. They too are subject to contradictory pressures, with beneficial effect. As of now, at least, they appear prepared to protect the president if the Republicans seek to drive him from office, but not as reflexively as did too many in the House. They want to limit the proceedings, but in the end they, too, need a way to separate themselves from a leader whose contempt for the rules that he himself is willing to apply to others has put them in a position of defending what most of them abhor.

As so often in the Senate, complicated matters such as these tend to be fought out in terms of procedure rather than substance. Democrats and some Republicans wanted to hear the House managers lay out the charges and the president's lawyers lay out the defense, then hold a test vote on whether the Senate was prepared to remove him from office even if all the charges could be shown to be true. If not, their plan was to cut short the trial as futile, and begin debating censure. The managers and other Republicans wanted a guarantee of a full trial, including the calling of witnesses.

What the Senate unanimously agreed to do was to decide neither of those things in advance. It will hear the opening statements; then motions will be in order to adjourn or otherwise limit the proceedings and to hear particular witnesses. Possibly there will be fights then, but the idea is to see how it goes. That's not bad. What we are spared, at least for now, is the partisanship on the part of both parties that cheapened the proceedings in the House.

—THE WASHINGTON POST.

In Europe, Japan Seeks an Economic Counterweight

By William Pfaff

PARIS — There is a neglected political dimension to Japan's new effort to convince Americans and Europeans that a stable exchange system should be invented for the dollar, euro and yen. The German and French governments are sympathetic to the idea, but Americans are dismissive.

Prime Minister Keizo Obuchi of Japan currently is in Western Europe, officially to acquaint himself with the new leaders of Germany, France and Italy, but indirectly concerned with enlisting their support for a reform of today's floating currency rates.

This initiative is inspired by the double shock felt in Tokyo at the success of the new European single currency, the euro, which began trading Jan. 4. The Japanese had not anticipated the implications of Europe's introduction of a new currency, serving a group of 11 nations nearly as strong in aggregate GNP as the United States, and sounder in terms of reserves and trade deficit (it has none, compared with the more than trillion-dollar U.S. foreign deficit).

The Japanese had taken for granted that the dollar was irreplaceable as the currency of international exchange. For 50 years they had not considered the possibility that the international economy could be denominated in anything except dollars, or world trade — even their own trade — could be conducted in any other currency.

Their second shock was to realize that the yen was now in danger of being crowded off the international stage by the dollar-euro duo, with concomitant damage to Japan's international standing and world influence. The yen might even be challenged in what until now has been generally regarded as a "yen zone" in Asia — even though Japan alone produces two-thirds of Asia's entire GNP.

These shocks produced a sharp change in Japanese thinking. One result was Mr. Obuchi's trip to France, Germany and Italy. According to officials in the prime minister's entourage, his message to the Europeans has been the following: Japan wants to work with Europe; Japan is a reliable partner for Europe; Japan has already taken on four times as large a financial role in dealing with the Asian economic crisis as the United States; and Asia itself needs European-Japanese cooperation. The French and Germans have been reminded that their banks have a much bigger and more dangerous exposure in Asian markets than American banks.

The music accompanying the message is that unless the Europeans hang together with Japan, the United States will dominate them both. The Japanese remind Europeans that when Tokyo a year and a half ago proposed an Asian IMF to deal with the Asian crisis, and offered \$50 billion in short-term support while promising another \$50 billion in medium and long term investment, the idea was quashed by Washington, which would not accept competition to the Washington-dominated IMF.

They add that IMF remedies may have done more harm than good. Some Japanese also remark to Europeans that while "your friend across the Atlantic" opposes bringing developing countries into international deliberations on the world economy, Japan favors it, and also privileges the social dimension of the Asian crisis in its aid to Japan's neighbors; it is not merely bailing out its own investors.

This change is an important development that Washington and the Europeans would be unwise to ignore. The latter have until now paid relatively little attention to postwar Japan. (The Japanese have not forgotten President de Gaulle's condescending reference during the 1960s to Japan's prime minister as "a transistor salesman.")

Washington has for years lectured Tokyo about how to reform the Japanese economy, meanwhile taking for granted that Japan would supply a disproportionate share of international aid and support for American security initiatives, while patiently funding the U.S. deficit. The Japanese have assumed that they had to comply. Now they seem to be thinking again.

They politely say that there is not an anti-American message, even though

some might think otherwise. They say they merely want international equilibrium. They mention in passing that the United Nations Security Council no longer is representative of international realities, while assuring the Europeans, equally politely, that they are not questioning Europe's two permanent places on the Security Council, and its two vetoes (while Japan has neither).

The Japanese, in short, have been awakened from a long political apathy imposed by their conviction that they have had no alternative to the international role they play, demeaning as it sometimes has seemed — although in their present economic circumstances they are in a poor position to challenge anyone, least of all the United States.

(They tell their European interlocutors that Japan's economy will resume growth next year, and that they are "determined" to recover by 2001.)

What the European governments will make of this message from Tokyo cannot yet be known. Its appeal for an implicit alliance against the United States will certainly find some response, but also provides the Europeans with a troubling complication in an increasingly difficult transatlantic relationship. What seems most interesting is that Japan, docile for so long, should be making such an appeal, discreet as it is.

International Herald Tribune.
Los Angeles Times Syndicate.

Whatever It Takes, Sweep Away the Clinton Mess

By Thomas I. Friedman

WASHINGTON — Say, I've been away for the past four months writing a book. Has anything happened while I was gone?

Seriously, though, I am assuming my column, and precisely because I have been gone I want to make up for lost time and dive right into things with a proposal: I am demanding the impeachment of George W. Bush, the governor of Texas.

I know, I know. He hasn't even been made the Republican nominee yet, let alone been elected president, but I want to get a head start on things. So let the record show, you read it here first: Impach George W. now.

Why not? Representative Bob Barr, that favorite speaker of white supremacists, and his colleagues have been calling for Bill Clinton's impeachment ever since they laid eyes on him. Well, I just laid eyes on George W., and I don't like his looks. I don't like his voice. I don't like his past carousing. And I don't like his suggestion that

only Christians get to go to Heaven.

I want him out, and I want him out before he even thinks of being in. I want him impeached at his inauguration. It will save time and money, since the House and Senate will already be on hand, and so will Chief Justice William Rehnquist.

Imagine the drama on the Capitol steps when the chief justice asks George W. to raise his right hand, and he thinks it is to take the oath of office, but instead Justice Rehnquist says to him: "Do you swear to tell the truth, the whole truth and nothing but the truth, so help you God?"

Well, you get the point. First Mr. Clinton demeaned the presidency with his reckless affair with an underwear-flashing intern, and now the House Republicans have matched him with a reckless bill of impeachment over something that does

not come close to a high crime against the constitution.

Mr. Clinton and the Republicans are now even. He disgraced the presidency and they have disgraced the constitution. But they both need to be stopped before they do any more damage to America's sacred institutions.

I favor censure not because it is the most just and moral way to bring this case to a close, but because it is the fastest. I judge every proposal for ending this sordid affair now by one criterion and one criterion alone — miles per hour. How quickly will it end this pathetic episode and take it out of the hands of Clinton spinmeisters and the Republican Hezbohah?

The idea that justice can still be done in this case is ludicrous. You tell me where you will find justice in the case of a president who demeans his family, his party and his agenda by having an affair in the Oval Office, and

is then offered up for impeachment by a Republican prosecutor after he can't find anything other than sexual fits to justify his three-year investigation into a 20-year-old land deal?

Justice? You tell me where you are going to find justice between a president who could not even make a proper apology to the American people for defiling the Oval Office and a Republican Party that stands for so little today that it has gone from the Contract With America to the Contract on Bill Clinton.

When a process so serious — impeachment — gets hijacked by people so venomous, justice can never be an outcome, it can only be a victim.

Mr. Clinton made the Republicans crazy, and it is easy to see why: He took all their good stuff — welfare reform, balanced budget and defense spending. I'd be crazy too. (How appropriate that House Republicans chose the unknown Dennis Hastert to be their next speaker — the party with no

agenda led by the politician with no profile. A blank man for a blank slate. Perfect!)

The Clinton-Republican death struggle is the political equivalent of the Iran-Iraq war. You wish both sides could lose. It is like everything else between the White House and Republican today — a war over who wins.

And that is why what matters is not how it ends but how quickly it ends. Because the sooner they stop fighting over nothing and start dealing with something, like the nation's business, the better the chance that the people might still win.

Justice? Oh, I'm sorry, it's all sold out this season. Between Bill Clinton, Ken Starr and Bob Barr, I long ago gave up looking for justice. Now I pray only for damage control. When there is no one to root for, all you can root for is "The End." The only way you get justice with a crowd like this is not with the courts or with the constitution. It is with a broom.

The New York Times.

Looking Into the Future: Smart Shirts and Cloned Hearts

By Richard Reeves

NEW YORK — I have seen the future and it is personal. Or "personalized." Or, it will be a time of "inside-out solutions."

Those were the buzzwords this year at Renaissance Weekend, the gathering of hundreds of accomplished men and women from walks of life as separate as church and state. The most interesting of those walks and talks, as usual, were science, technology and medicine.

"Personalized" was the word favored by Oren Etzioni of the University of Washington, an authority on artificial intelligence. He talked about each of us having an "intelligent agent," that is, an almost invisible friend living, probably, in cellular phones — something like a cross between

a bottled genie and the little men who turn on the light when you open a refrigerator.

"You will be able to talk into the phone (or other device) and tell your car you're on your way," he said. "It will know where to go without more help from you. . . . Or you can say, 'I want to call Chicago' and the phone will get you the best deal on the call."

"Or, you can ask a pretzel bag, 'Are you fresh?'" said Bill Cheswick of Bell Labs. He was not kidding. Computer chips will be the size of big grains. "There are computers in hotel doorknobs right now. Next you'll be talking light bulbs and shirts."

Mr. Cheswick did not tell us what you would talk to the shirt

about, but they'll think of something.

The implications of all that are many and enormous, but Mr. Etzioni focused on shopping. "It will be the end of fixed prices and of branding," he said. That shook me because "branding" was one of last year's buzzwords. The idea was that with so many products out there, people would gravitate to names they trusted, from NBC to The New York Times, or from Sony to Nike.

No more. Mr. Etzioni said your intelligent agent, which would know everything about you including shoe size, foot shape and personal quirks would be a shopper with infinite time and patience, even as it worked almost instantaneously

everywhere in the world (or on the Web) to find you or me the perfect shoe at the best price; probably negotiable, in, say, Frankfurt. Sorry, Nike. Forget the swoosh, close the stores.

Driving that point home, so to speak, Ted Goodlander, president of Storage Computer, added this: "If I had a friend who owned a new car dealership, I'd tell him to sell it now. People will buy cars at GM Virtual Reality Centers."

At such centers, he said, a customer would design the car himself, getting the feel of more or less power, steering wheel size or turning radius, make personal choices and wait for "his" car to arrive a week later with his name embossed on the dashboard.

On future medicine, Ian Hunter, a microbiotics professor at MIT, talked about a most personal, inside-out health care system, your own "virtual body." At birth, a "body" would be created from each person's genetic data and as life went on, basic medical examinations would be comparisons between the real you and the projected you of the virtual body. Any differences between the model and the real you would be the first indicator of

medical problems.

On the subject of the personal, John Abele, the founder of Boston Scientific Corp., which makes what others dream about, said he had been looking at proposals to produce clones of Michael Jordan's heart — presumably the basketball star has a good one — and the plans were not a question of science anymore but were a business proposition. The question was: not whether it could be done but how much would it cost and how much could be charged consumers or their intelligent agents.

Finally, when it came to the real environment, Larry Gri-sham, a Princeton physicist, seemed almost amused by the daily debate on weather, saying, "In the short term anything can happen, but whatever does, 100 years from now it is going to be a lot hotter than it is now."

So, this is not pie or heart in the sky; this is where we are. Science is moving and changing so fast now that John-Cramer, a University of Washington physicist, who certainly spoke for me, said the only thing we can be certain of is that "everything we know is wrong."

Universal Press Syndicate.

It's Information That's Lacking

By Lovisa Stannow

LOS ANGELES — Compassion fatigue is an odd affliction. Rarely if ever mentioned by those who are supposed to suffer from it, it is a favorite buzzword of media representatives and political pundits. The American people, they tell us, would rather hear yet again the details of President Bill Clinton's behavior or learn about the adventures of Senator John Glenn, six cockroaches and a handful of tomatoes bred in outer space than be troubled by, let's say, a catastrophe in Africa.

I beg to differ. This past August, I worked in one of Doctors Without Borders' feeding centers in Ajep in southern Sudan. Faced in the morning with the tiny bodies of children who did not survive the previous night and the near-skeletons who were unlikely to last another day without help, it struck me that compassion fatigue is a human impossibility.

Closer to home, I get the same feeling. Over the past couple of months, the Los Angeles office of Doctors Without Borders has experienced a sudden outpouring of compassion and support for those starving in southern Sudan. This came after three local TV stations broke the virtual silence in the mainstream media and showed stories about the famine in Sudan. Abdul from the Redlands University football team

There is a lack of responsibility in mainstream media.

called to ask whether he and some friends from the team could raise money.

Tiffany from Compton wondered if there was a minimum donation or whether people with limited means could in some way support the volunteer doctors and nurses fighting the famine. Max from Hawthorne noted the irony that we spend millions of dollars sending people to outer space while children are starving to death on Earth.

These experiences have convinced me that compassion fatigue is just a name for the lack of editorial responsibility in mainstream media

outlets. Americans do not suffer from a shortage of compassion, they suffer from a lack of information about pressing international issues. Through the coverage of the Clinton-Lewinsky scandal and the recent space adventures, journalists have demonstrated, if nothing else, that they are capable of in-depth reporting of continually changing stories. Why not a portion of that attention to the human tragedy in Sudan?

International coverage does not have to come at the expense of concern with domestic issues. There are good reasons to cover presidential behavior and space travel. But listening once again to debates about Mr. Clinton's sexual peccadilloes or watching Mr. Glenn rocket away from Earth for the second time is not what makes me proud to live in the United States. What makes me proud is the compassion expressed by Tiffany, Abdul, Max and so many other ordinary Americans.

The writer is West Coast director of Doctors Without Borders. She contributed this column to the Los Angeles Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1899: Likely Clash

WASHINGTON, Tuesday. — Rather discouraging advice concerning the situation in the Philippines were discussed by the Cabinet. There is some talk of evidence of Aguinaldo being inspired by some other foreign Power, presumably Germany.

The feeling is strong that a clash is likely. The President is very anxious to prevent it before the ratification of the peace treaty, which will be considered by the Senate tomorrow. It has not yet developed to what extent opponents of an expansion policy will endeavor to delay ratification, but it is believed that there will not be much delay.

1924: Real Progress

PARIS — [The Herald says in an Editorial] The majority of the newly-elected women members of Parliament are determined not to be annoyed during thrilling and emotional debates by that dreadful doubt: "I wonder if my hat is on straight?" And that is where they prove that the world is really progressing.

1949: Fatal Cure

LONDON, Jan. 10 — A writer in the British "Medical World" described a new drug for alcoholics as so potent "that the smell of a cork would prove almost fatal." The anonymous writer described recent experiments with the drug, which is called tetraethylthiuramdisulphide. "One victim had to run away from his fiancée and lie stretched upon his bed of discomfort after only one drink in a London restaurant," the writer said. "If the treatments were pushed further, it would seem likely that the smell of a cork would almost prove fatal."

Herald Tribune

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Editor for Asia: Michael Richardson, 5 Cantonment Rd., Singapore 11800. Tel: (65) 472-7788. Fax: (65) 274-2334.
Mag. Dir. Asia: Nigel J. Ockler, 81201, 191 Jena Road, Hong Kong. Tel: 852-2922-1188. Fax: 852-2922-1180.
Gen. Mgr. Germany: T. Schöter, Postfach 15, 40521 Frankfurt 15. Tel: +49 69 8715240. Fax: +49 69 8712620.
U.S. Office: 330 Third Ave., New York, N.Y. 10022. Tel: (212) 735-3800. Fax: (212) 735-6785.
U.K. Advertising Office: 63 Long Acre, London WC2E, Tel: (171) 836-4802. Fax: (171) 240-2254.
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HEALTH/SCIENCE

TOMORROW
STYLEThe Hunt
For Otters
A Marine MysteryBy William K. Stevens
New York Times Service

NEW YORK — Sea otters are appealing, no doubt about it. In recent decades they have cruised the cold waters off the Aleutian Islands and the Alaskan mainland in robust numbers, like crowds of carefree vacationers.

They float around luxuriously on their backs, all the while solicitously tending the babies that rest on the mothers' chests. They do barrel rolls and cartwheels. They dive down into the kelp beds that are their main feeding ground, where they gather up a gourmet feast of sea urchins, clams and mussels, tuck them under their arms, head for the surface and resume their backfloat.

They demonstrate their skill as tool users (the only mammals except primates that can do so) by putting rocks on their chests and cracking the clams and mussels on them. They roll the spiny urchins between their paws to make them go down better. Then they pop the succulent spines morsels into their mouths.

So it came as a shock to many people when James Estes, a marine ecologist with the U.S. Geological Survey, and his colleagues discovered that the otter population in the Aleutians had plunged sharply. Wild animal populations are always fluctuating to some degree or other, but Mr. Estes and his team at first could find no reason for the otters' unusually sharp decline.

That began a detective hunt that did not just uncover the cause of the decline. It opened a rare and revealing window on nature's complexity and interconnectedness — in this case, a huge slice of ecological reality encompassing both the broadest dimensions and most spectacular inhabitants of the marine environment as well as its most minute creatures and relationships.

Among other things, it turned out that otters, or killer whales, had started eating the otters after decades and possibly centuries of peaceful coexistence. The new and lethal relationship between orcas and otters, the researchers concluded, was occasioned by ripples running from one end of this elegant web of existence to the other. And the otters, they found, were the crucial species holding the web together.

It is not often that ecologists are able to get a clear fix on such a big and complicated chunk of the natural world, or on the full sweep of the dynamics operating within it. Most ecological research projects are too short and too small to come to grips with such expansive dimensions. But Mr. Estes and his colleagues, who are based at the University of California at Santa Cruz, have been using the Aleutians and Western Alaska, a stretch of some 2,000 miles (3,200 kilometers), as their research laboratory for nearly three decades.

They have tracked the otters' movements and population dynamics by tagging them and in some cases surgically implanting small radio transmitters. The researchers found that on some of the islands, otter populations had recovered strongly since they were nearly extinguished a century ago by a long-defunct fur trade. The Estes group had every reason to expect that they would continue to be robust. So when they began to notice in the 1990s that some populations were instead declining, he said, "it was unexpected and perplexing."

In fact, the researchers just did not believe it at first. "We wrote it off as sampling error, just the imprecision of the data," he said. But the numbers continued to drop, and it seemed clear that something unusual was going on.

Could the otters simply have migrated from one part of the region to another? To find out, the researchers analyzed populations over a 500-mile stretch of the Aleutians from Kiska to Segman. Sure enough, by 1993 other numbers in that whole stretch had been cut by half. Here the geographical scope of the research effort became critical, a smaller region would not have been



Otters, researchers contend, are part of a crucial web of marine existence.

large enough to reveal the decline. In 1997, they repeated the surveys and found that the population decline had worsened, to about 90 percent. In the 500-mile stretch, other numbers had dropped to an estimated 6,000 from 53,000 in the 1970s.

"That told us for sure it was a very large-scale decline, but we were still trying to understand the cause," Mr. Estes said. Early on, the researchers had ruled out reproductive failure. Their studies enabled them to keep track of how often otters gave birth and how many young survived, and this revealed that reproduction was continuing to resupply the population.

With other possible causes eliminated, the Estes team reasoned, mortality had to be the explanation. In the past, they had seen temporary declines in otter populations because of starvation, pollution or infectious disease. "In all those cases," Mr. Estes said, "we find lots of otters. They get weak and tired and come ashore to die." This time not a single dead otter was found — a clue, he said, that "something really weird was going on."

otter between the two areas. Almost two-thirds of the otters disappeared from the unsheltered bay in a year's time, while only 12 percent disappeared from the sheltered one. "That made us perk up our ears and think it really was the killer whales," Mr. Estes said.

But this conclusion only raised new questions. What made the whales attack the otters? The researchers have proposed the following chain of events, which begins in the open ocean.

First, populations of the northern Pacific's most nutritious fish, like ocean perch and herring, declined. The reasons are uncertain, but several have been proposed. One is overfishing by commercial fishermen. Another is a sudden warming of the North Pacific climate that began in the late 1970s. A third is competition from a predator species of fish, the pollock, which is not as nutritious as the other, oilier species.

The pollock population grew, according to one hypothesis, when whales reduced the populations of whales that survive by filtering microscopic animals from the water. The tiny animals proliferated, and the pollock gorged on them.

The decline in the most nutritious forage fish, according to this story line, was mainly responsible for an ensuing crash in Alaskan populations of Steller sea lions and harbor seals, for which pollock did not provide sufficient nourishment. Numbers of these pinnipeds and seals and sea lions are called, have declined sharply since the 1970s. According to a 1996 study by the National Research Council, the decline in forage fish was probably a major factor in the pinniped crash.

Pinnipeds are the major food of orcas. Faced with a shortage, the Estes group believes, some killer whales turned to the next best thing: sea otters.

Here the ecological web gets even more complex. The otters are the keystone species of a coastal ecosystem called kelp forests. These are great stretches of algae, analogous to terrestrial woodlands, in which kelp fills the role of trees.

Otters maintain the ecosystem by eating sea urchins, which feed on kelp. When otters disappear, the urchin population explodes and quickly "deforests" the kelp ecosystem. That is exactly what happened in the Aleutians when killer whales removed so many otters from the scene. As the "trees" of the ecosystem disappeared, so did many other species of algae that are analogous to the underbrush of a terrestrial forest.

The researchers have documented the decline of otters, the proliferation of urchins and the deforestation of kelp beds. And based on earlier studies, the scientists believe that further ecological ripples are also under way. "Taking the other out of the system has a whole cascade of effects," Mr. Estes said. "Most of them are unstudied, but we've looked at it enough to know there are a lot of them."

Patient or Guinea Pig?
Hepatitis Drug Trial Poses Painful DilemmaBy Denise Grady
New York Times Service

NEW YORK — When pharmaceutical companies recruit sick people for studies of experimental drugs, what are the companies' obligations to the patients? And once people sign up, accepting risk but hoping for benefit, receiving free medical care and drugs, what do they owe to science, to future patients who may be helped by the research and to the company that may profit from it?

Gail Ogden, 55, confronted those questions last year, when she learned that she had chronic hepatitis C, a viral disease of the liver. Although many people carry the virus for decades without becoming sick, others develop cirrhosis, liver failure or cancer. Because Ms. Ogden was ill and had signs of liver damage, her doctors recommended drug treatment. Treatment is expensive — a six-month course of therapy costs \$6,400 to \$8,600. Ms. Ogden's health insurance would cover only part of the cost and she could not afford to make up the difference. Her doctor encouraged her to volunteer for a study, in which she would receive medication at no cost.

In September, she entered a 48-week clinical trial at the University of Nebraska at Omaha, designed and sponsored by Schering-Plough Corp. Ms. Ogden was at first delighted to be accepted into the study, but like many people who consent to be experimented on, she has found the transition from patient to research subject a rough one, and she is now at odds with Schering-Plough.

Ms. Ogden's case and those of other people with hepatitis C have been taken up by patient advocacy groups, including one founded by people with HIV or AIDS who have had long experience in challenging drug companies over the way people are treated in clinical trials.

The experiment Ms. Ogden signed up for was to enroll 600 people at 40 to 50 medical centers around the United States. Some participants would be given Rebetron, a treatment approved for hepatitis C by the U.S. Food and Drug Administration. It combines two anti-viral drugs: injections of interferon and capsules containing ribavirin. Others would receive ribavirin with higher doses of interferon.

Though it was later approved for all patients, at the time the study began Rebetron had been approved only for people who had relapsed after treatment

with interferon alone. The purpose of the study was to test the effectiveness of Rebetron in people who had not taken any other medication for hepatitis C, and also to find out whether the version containing higher doses of interferon would work better than the standard form of Rebetron, which is effective in fewer than half of patients, in whom it reduces the virus to undetectably low levels.

Despite its limited effectiveness, Rebetron is the best treatment available for hepatitis C, and Schering-Plough is its sole manufacturer. First approved last June, the drug had earned \$46 million by the end of October. The study that Ms. Ogden entered was not "blinded," that is, both the subjects and the doctors monitoring them knew which doses they were receiving. Ms. Ogden was assigned at random to the group taking the standard form of Rebetron.

Researchers could not promise that she would benefit from the study, but regardless of which dose she received, they knew that for the full 48 weeks she would experience formidable side effects: fever, headaches, nausea, fatigue, aches and pains, anemia, and mental symptoms including depression and sometimes suicidal thoughts.

But she was grateful to get into treatment. "I went into it thinking that not only was I going to help myself, I would help others coming after me," she said.

Her plan was to watch her test results closely, particularly her viral load, a measurement of virus levels in the bloodstream. If it did not drop within a few months, and if the side effects were severe, she would consider dropping out of the experiment. Three months into the study, she is still here. Only after it began, she said, did she find out that Schering would be withholding viral-load information until the study was finished. "I had no idea the extent these people would go to to get their drugs to the market. It's absolutely disgusting, the corporate greed in America."

Robert Consalvo, a spokesman for Schering-Plough, said the company was motivated not by greed but by the need to determine the best treatment. In this case, he said, the company decided to withhold viral loads in hopes of keeping patients from dropping out of the study. Too many dropouts would make it hard to complete the research. In any event, Mr. Consalvo said, being a subject in a study

is not the same as being a patient treated by a personal doctor. But, he acknowledged, drug companies may need to do a better job of communicating that to people who participate in experiments.

Ms. Ogden's objections to the study, echoed by other participants, reflect a tension that has always existed between researchers and their subjects. People who volunteer for studies are told that the purpose of the study is not to help them, but to gather information that may eventually help others.

But few people sign on out of pure altruism. They want the experimental drugs a study provides, often regarding them as "treatment" even when their safety and effectiveness have not yet been proved. And people who are feeling sick and vulnerable, trying to beat a disease that might kill them, may resent the feeling that their needs come second to a heartless quest for data.

"Sick people can't think of themselves as research subjects," said George Annas, chairman of the health law department at the Boston University School of Public Health. "They don't want to feel like they're being used as guinea pigs. They want to feel like patients. But they're not. They're guinea pigs."

Those like Ms. Ogden who enter studies because they cannot afford treatment are in the worst position, he added, as they feel at the mercy of whoever is doling out medication. Her antagonism over the viral-load test developed in part because the consent form she signed did not mention what would be done with the results, but she assumed that they would be reported to her, and she was counting on them to gauge her progress.

A decision to drop out would be inconvenient for the drug company, which wants as many people as possible to finish the study. But from a patient's point of view, quitting is logical. "If they see it's not helping, they want to get out," Mr. Annas said. "I don't blame them."

Ms. Ogden was further incensed that the viral-load numbers were not being given to her doctor, either. Mr. Consalvo, the Schering-Plough spokesman, said that in earlier studies, Schering had released viral-load data, but stopped when patients used the data to decide whether to remain in the study. The current consent forms state clearly that viral loads will not be revealed, he said, and medical centers have been sent amendments of the policy, though Ms. Ogden said she never received one.

The Deluge and the Black Sea

By John Noble Wilford
New York Times Service

NEW YORK — Two Columbia University marine geologists, inviting incredulity, came forward in 1996 with astonishing evidence suggesting that a catastrophic flood of the Black Sea 7,600 years ago could have played a pivotal role in the spread of early farming into Europe and much of Asia. The deluge also may have cast such a long shadow over succeeding cultures that it inspired the flood account in the Babylonian epic of Gilgamesh and, in turn, the story of Noah in the Book of Genesis.

Now the geologists, William B.F. Ryan and Walter Pitman III of Columbia's Lamont-Doherty Earth Observatory, say they have even more archaeological, geological and climate data to support their provocative thesis. They argue the case in "Noah's Flood: The New Scientific Discoveries About the Event That Changed History," which will be published next week.

While the authors have yet to win over skeptics of the Black Sea flood's possibly sweeping influence on history, old scientists have weighed in with new findings that seem to confirm the fact of the flood itself. In about 5600 B.C., with rising global sea levels, salt water from the Mediterranean and Aegean seas apparently burst into the Black Sea, then a landlocked freshwater lake. The Black

Sea rose with terrifying swiftness, inundating more than 60,000 square miles (155,400 square kilometers) of coastal plains and giving the body of water its current size and configuration.

The thesis, however, it is ultimately judged, has already inspired a wave of archaeological and other scientific research in the previously neglected Black Sea region. "It has captured the archaeological community's attention and enthusiasm," Mr. Ryan said in an interview. "The atmosphere has changed in just two years."

Working on Turkey's Black Sea coast at Sinop, Fredrik Hiebert, a University of Pennsylvania archaeologist, has detected possible ruins of a Stone Age village that was submerged in the flood. He is planning an expedition this summer to expand the search for pre-flood settlements. One objective is to determine if the people were farmers and so, as refugees from the deluge, might have spread the practice of agriculture into Europe for the first time.

Until Mr. Ryan and Mr. Pitman advanced their hypothesis, archaeologists had little reason to believe the pre-flood Black Sea shore was particularly hospitable.

In the last two years, moreover, new cores from the Greenland ice cap have revealed that the world underwent a cold, arid period, beginning in 6200 B.C. and ending about two centuries before the flood. Archaeological digs in the

Middle East appear to show many Neolithic settlements "being abandoned during this drought."

The timing of the flood, Mr. Pitman asserted, happened to coincide with archaeological evidence of newcomers in the Balkans and in northeastern Europe and with some of the earlier signs of agriculture in these regions. Some pottery at these sites is similar to that found near the Sea of Marmara in Turkey from around the time of the flood.

Making connections between people displaced by the flood and the rise of agriculture in Europe — even in Egypt and Central Asia — is the most controversial aspect of the Ryan-Pitman thesis.

In a review of the book in the current issue of Archaeology magazine, Mark Rose, the managing editor, said the farming connection "is predicated on a huge archaeological assumption" that there was a drought and it did force Middle Eastern farmers to find refuge on the pre-flood Black Sea coast.

He also noted that some farming had already begun to appear in parts of Europe 500 years before the putative flood.

He concluded, however: "If Ryan and Pitman are right about the inundation of the Black Sea, they have made a real advance in our understanding of the region's past. But making it Noah's flood and claiming it was the 'event that changed history' was a mistake."

LANGUAGE

Rebuke: A Complement of Synonyms

By William Safire
New York Times Service

WASHINGTON — "Even in survival," wrote Jim Hoagland of The Washington Post, "Clinton will emerge from this experience chastised if not chastened, humiliated if not humbled."

There is a serious challenge to synonymists by a serious foreign-affairs columnist (even though he uses the reader-friendly "Jim" in his byline, which would raise the eyebrow of a bygone era's Walt Lippmann).

Chastise is from the Latin *castus*, "pure," and *castus* means "to make pure" by some mode of discipline, with the positive connotation of being strengthened by moral correction ("whom the Lord loveth he chasteneth").

Chastise, as well as *castigate*, comes from the Latin *castigare*, which adds the force of *igare*, or *agere*, "to drive" to the purifying. Although both verbs mean "to correct by punishment or reproof," *chastise* adds coercion or severity to the moral instruction in *castigate*.

In the synonymy of censure, then, *punish* implies "to penalize for disobedience to authority"; the verb *discipline* suggests "to subjugate or bring

under control"; *chasten* means "to strengthen by setting straight"; *chastise*, "to inflict some coercion in correction"; *correct*, "to straighten for the purpose of reform"; and *castigate*, "to tongue-lash or rebuke severely."

As I parse the subtle Hoagland, his "chastised if not chastened" means "corrected but not truly purified," or "punished but not made *chaste*."

What about "humiliated if not humbled"? If you're a gardener, you know what *humus* is: that deliciously decomposed plant or animal manure that, mixed with your back yard's flavorless dirt, gives an organic boost to the roots of your flowers.

It is also the Latin word for "earth, ground," and is the root of both *humile* and *humiliate*, words that suggest the bringing of someone down to the ground, sometimes to the extent of figuratively grinding his face in the dirt.

The verb to *humble* originally meant "to make meek," as in Valentine's profession of *avowed affection* in "The Two Gentlemen of Verona": "O gentle Proteus, Love's a mighty lord, And hath so humbled me, as, I confess, There is no woe to his correction."

Now, however, it is part of the lingo of abasement.

Merriam-Webster's Dictionary of

Synonyms has an uplifting entry on *abasement*. After running through *debasement* (loss of dignity), *debase* (degradation in value) and the Pentagon's favorite new word, *degrade* ("conveys a strong implication of the shameful-ness of the condition to which someone or something has been reduced" — take that, Saddam), M-W comes to *humble*.

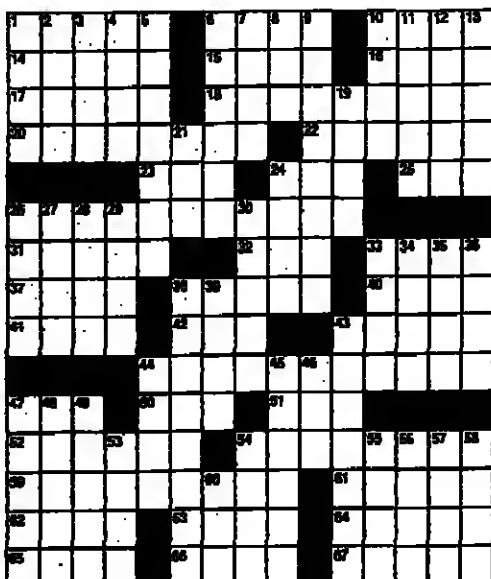
Frequently used in place of *degrade*, "synonymizes the philological hairsplitter," in the sense of *demote* when the *ignominy* of the reduction in rank is emphasized... but often suggests a salutary increase of humility or the realization of one's own littleness or impotence." But *humiliate*, which used to be a synonym of *humble*, has gained a more forceful meaning of taking someone down: "comes closer to mortify, for it stresses chagrin and shame."

THEREFORE, when Hoagland writes that Clinton has been "humiliated if not humbled," I think he's saying that others have *demeaned*, *debased*, *degraded* the president, but he remains neither *defeated* nor newly possessed of a sense of *meekness* and *humility*.

Whew! What a spectrum of meaning some columnists can pack in a single burst of alliteration.

CROSSWORD

- ACROSS**
1. Begin, as school
 2. Peter's
 3. Square figure
 4. Broadway
 5. "Aurora"
 6. Peter of "Casablanca"
 7. Cards up one's sleeve?
 8. Muslim holy man
 9. Any one of "God's creatures"
 10. Classic Betty Davis line from "Beyond the Forest"
 11. Second-place finishers
 12. Call forth
 13. WHW's opposite
 14. DC capitol to Paris
 15. Lock opener
 16. Proceeding easily, at last
 17. Dallas's locale
 18. Metal to be refined
 19. Res—logatur
 20. Tempers
 21. Flogged
 22. Underground vegetable
 23. Miss America wears one
 24. de Janeiro
 25. Word on mail from Spain
 26. Oscar-winning role for Tom Hanks
 27. Greyhound, e.g.
 28. Slalom curve
 29. It's perpendicular to long
 30. Golden Delicious and others
 31. 1986 Simon and Garfunkel hit
 32. High school parking lot
 33. Religious law
 34. Soho socialists
 35. Responsibility
 36. Blackjack phrase
 37. Flubs
 38. Sage
 39. Run off to the chapel
 40. Edible site for Napoleon
 41. Christmas
 42. Speaker of Cooperstown
 43. Cube investor
 44. Brief turnaround to an invitation
 45. Oklahoma Indian
 46. Newspaperman Adolph
 47. Run out
 48. Uncle
 49. Sew with loose stitches
 50. Certain berth
 51. Weapon that's thrown
 52. More of—
 53. Radio man Don
 54. Train track
 55. Word after catch or hang
 56. Slow morsel
 57. Highly regarded
 58. Skirt style
 59. Frenzied Var.
 60. Mrs. Eisenhower
 61. Running on—
 62. Not straight
 63. Fire retirement
 64. Tackle box item
 65. Mayberry jail habitué
 66. Actress Miles
 67. Alimony receivers
 68. Polson fly was
 69. Courtroom address, with "you"
 70. —to differ
 71. Lima's land
 72. Appear
 73. Surrounding
 74. Medieval weapon
 75. Broadcasts
 76. Diplomat's aide
 77. Corn, to chickens
 78. Free ticket
 79. Bouncing baby's seat
 80. Single Preff



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CAPITAL MARKETS ON MONDAY

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Jan. 8. Prices supplied by Telekurs.

Risk Name Cpn Maturity Price Cr Ytd

Australian Dollar

138 Aus & N Zed zero 02/04/99 99.6787 4.1380

155 Morgan Stanley zero 03/25/99 97.8420 5.0400

204 Queensland T-01 01/14/98 107.1250 6.8700

Belgian Franc

225 Belgium 6% 11/21/04 116.100 5.8900

British Pound

48 Avon 7.6500/01/22/03 98.4654 7.7600

95 Fin Resid House 11.124 03/30/00 102.3500 6.8600

112 Fawcett House 6% 06/07/02 106.3734 6.4600

119 J.L.S. FRN 7.3548/09/30/00 99.0000 7.7700

127 Aramco zero 12/07/22 25.7300 5.8300

129 Auer FRN 6.5409/09/01/01 101.1854 6.4000

227 Owen FRN zero 12/15/00 99.6250 6.0000

Canadian Dollar

94 Canada 8% 04/01/27 139.4860 5.7400

240 Canada T-Bill zero 04/23/99 97.8940 4.7300

Danish Krone

15 Denmark 7 11/15/07 121.7600 5.7300

19 Denmark 9 11/15/00 109.3800 6.2300

30 Denmark 8 11/15/00 116.5100 5.1500

42 Denmark 8 09/15/06 124.2200 6.1100

55 Denmark 8 11/15/01 111.5500 7.1700

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73 Denmark 7 11/15/02 108.8600 5.3300

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U.S. Strength to Give Bonds Rough Ride

NEW YORK — The strength of the U.S. economy means the Treasury bond market is likely to have a grim week, traders and analysts said.

"I don't think people will want to buy bonds," said John Kowalik, senior vice president and portfolio manager at Oppenheimer Funds. He said the trend in the Treasury market, where a booming economy raises fears of inflation, had become bearish. Although he said bond yields remained attractive on an inflation-adjusted basis, "until you see it stop going down, there's no reason to step in."

The yield on the benchmark 30-year Treasury bond ended Friday at 5.27 percent, compared with 5.09 percent at the end of the previous week.

The release of a stronger-than-expected employment report for December

caused a sharp sell-off of Treasury issues Friday morning and eliminated the last vestiges of hope for interest-rate cuts by the Federal Reserve Board, according to many market participants.

"The one thing to remember now is there will be no Fed action," said Rich Yamarone, senior economist at Argus Research Corp., adding that the only reason the central bank cut short-term interest rates three times last autumn was distress in the financial markets, which has since dissipated.

On Friday, the government reported that nonfarm payrolls jumped by 378,000 in December, prompting worries that the economy will overheat and put upward pressure on prices. The unemployment rate fell to 4.3 percent from 4.4 percent in November, reinforcing those worries.

The robust jobs report suggested that

many of the important economic reports due this week will also come in stronger than had been predicted, adding to the pressure on bonds. Mr. Yamarone said he expected the industrial-production data due Friday to be the most critical report of the week.

But with the exception of the sell-off that followed the jobs report, Mr. Yamarone said, the market has not reacted to data the way economists say it should.

Instead, market players have been watching events in other countries, particularly Brazil, where a moratorium on debt payments to the federal government by the state of Minas Gerais has prompted concerns about the country.

"All eyes are focusing on Brazil," Mr. Yamarone said, and many sectors of the Treasury market already have factored in a devaluation of the Brazilian real.

New International Bond Issues

Compiled by Paul Floren

Issuer Amount (millions) Mat. Coup. % Price and week Terms

Floating Rate Notes

Bank of Nova Scotia \$400 2004 0.10 99.84 — Over 3-month Libor. Noncallable. Fees 0.15% (ABN Amro.)

Bank of Western Australia \$250 2002 0.15 99.93 — Over 3-month US Libor. Noncallable. Fees 0.125% (Morgan Stanley.)

Caisses Centrales des Jardins du Quebec \$300 2004 0.10 99.93 — Over 3-month Libor. Noncallable. Fees 0.15% (ABN Amro.)

Canadian Imperial Bank \$500 2000 0.10 99.945 — Interest in 3-month Libor. Noncallable. Fees 0.05% (CIBC.)

Deutsche Bank Finance \$250 2003 1/4 99.769 — Over 3-month Libor. Noncallable. Fees 0.15% (Deutsche Bank.)

National Bank of Canada \$500 2004 0.15 99.98 — Over 3-month Libor. Noncallable. Fees 0.20% (Barclays.)

Deutsche Bank Finance \$250 2003 1/4 99.769 — Over 3-month Libor. Noncallable. Fees 0.15% (Deutsche Bank.)

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IN THIS WEEK'S ISSUE

- The rise of Sun Microsystems
- Call centres — Europe's fastest-growing new businesses
- Will Britain and other holdouts embrace the euro?

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Last Week's Markets

Stock Indexes	Jan. 8	Dec. 31	% Chg
DJ Industrial	9,432.32	9,189.16	+2.54
S&P 500	1,310.14	1,271.16	+3.07
NASDAQ	2,145.11	2,043.43	+4.93
DAX	3,380.38	3,149.31	+7.34
FTSE 100	5,841.11	5,643.43	+3.51
EURO STOXX	1,327.49	1,279.16	+3.77
Hong Kong	11,247.11	10,979.16	+2.43
Nikkei 225	12,391.81	12,342.17	+0.40
YSE 100	6,147.28	5,982.40	+2.78
IBEX 35	4,688.88	4,485.94	+4.50
BOVESPA	4,245.42	3,942.46	+7.48
BVL	5,992.84	5,802.39	+3.28
Hang Seng	10,722.70	10,404.28	+3.17
MSCI	1,191.43	1,149.25	+3.62

Euromarkets

Eurobond Yields			Year	Y
	Jan. 8	Dec. 31	ago	ear
U.S. \$ short term	5.23	5.17	5.22	5.15
U.S. \$ med term	5.34	5.24	5.35	5.25
U.S. \$ long term	5.34	5.24	5.35	5.25
Europe med term	5.36	5.36	5.37	5.27
Europe long term	5.36	5.36	5.37	5.27
Europe long term	4.19	4.19	4.22	4.22
French 3 mos	3.61	3.61	3.61	3.61
French 6 mos	3.68	3.68	3.68	3.68
Italian 1 yr	3.61	3.61	3.61	3.61
Pounds clearing	5.30	5.30	5.33	5.21
Japanese yen	1.28	1.28	1.28	1.28
Australian dollar	5.30	5.30	5.33	5.21
Canadian dollar	5.09	5.11	5.34	5.24
U.S. \$ 3 mos	4.21	4.21	4.26	4.16
U.S. \$ 6 mos	4.23	4.23	4.26	4.16
N. Zealand \$	4.23	4.23	4.63	4.63

Source: Luxembourg Stock Exchange.

Libor Rates			
	1-month	3-month	6-month
U.S. \$	5.00	5.038	5.05
Europe	3.72	3.72	3.72

Fed Policy Finds Itself Trapped Inside a U.S. Stock-Market 'Bubble'

By Louis Uchitelle
New York Times Service

NEW YORK — The U.S. Federal Reserve Board, as its chairman Alan Greenspan so often says, deals in the real economy, not stock markets. Inflation, output, profits, employment, exports, productivity — these are all aspects of the real economy.

"The stock market, in the Fed's scheme of things, is a sideshow. But the sideshow has now decisively moved into the center ring, creating a terrible dilemma for the central bank — and the public."

The Fed normally regulates the real economy by adjusting interest rates, lowering them to stimulate growth and raising them to remove this stimulus. In normal times, stock prices then rise or

fall in line with the changing pace of the real economy, almost as if the market were a meter. But over the past 12 weeks, and particularly the past four, the stock market has shot up quite on its own. Instead of leading the market, the real economy now follows it.

"There are many people who claim that we are in a new era of economic performance and the high stock market reflects this new reality," said Henry Kaufman, a Wall Street economist. "There is some truth to that claim. But when all is said and done, what we really have in the stock market today is a speculative bubble."

The bubble creates the Fed's dilemma. In the past, Mr. Greenspan has been cautiously avoided sharp changes in interest rates, instead favoring gradual

moves to nudge the real economy without provoking an overreaction in stock and bond markets.

But the bubble has become so sensitive that even a quarter-point move by the Fed is potentially calamitous, threatening wild stock-market swings with the power to drag the economy along with them.

Suppose the Fed finds itself wanting to continue to offset some new danger, a Brazilian meltdown, for example, or the anticipated bankruptcy of some high-flying technology company. Wall Street would view the rate cut as further evidence that, when adversity strikes, the Fed stands ready to bail out the economy and the market. Stock prices would shoot up again, just when they are already 30 percent overvalued, according to several Wall Street estimates.

"Another rate cut would whip up the near-mania that already exists," said David Jones, chief economist at the bond firm Aubrey G. Lamson & Co.

What if the Fed decides it must raise rates, to head off inflation? The U.S. economy grew in the fourth quarter at a robust annual rate of nearly 4 percent, preliminary data suggest, and the December job figures came in strong Friday.

Consumer spending played a big role in the healthy showing, and rising stock prices fueled a big chunk of this spending. They also encouraged business investment, another source of growth.

Boom times such as these inevitably raise inflation concerns in the minds of Fed policymakers, even though inflation is low. But they pose for the Fed the awful choice of leaving rates alone —

and encouraging investors to go on thinking that the Fed cares more about sustaining high stock prices than controlling inflation — or raising rates to slow the economy, with consequences that could be very unpleasant.

"Raising rates is out of the question," said Robert DiClemente of Salomon Smith Barney Inc. "It would burst the bubble."

A plunging stock market would then chill the economy much more than the Fed intended. For example, a 30 percent drop in stock prices over 12 weeks could reduce economic growth by a painful 2.3 percentage points, according to a computer model of the economy developed by Macroeconomic Advisers Inc.

Top Fed officials, including Mr. Greenspan, have said little lately about

the stock market, although some hinted last week that they considered stock prices higher than the real economy could justify.

The Fed put itself in this tough spot unintentionally last autumn, when the Dow Jones industrial average was 26 percent lower than it is today and the Fed made three rate cuts of a quarter-point each to counteract the effects of the global financial crisis.

The Fed policymakers recognized, according to the minutes of their Nov. 17 meeting, that their third rate cut, approved that day, "might trigger a strong further advance in stock-market prices that would not be justified on the basis of likely future earnings and could therefore lead to a relatively sharp and disruptive market adjustment later."

Italy Joins Japan Plea For Currency Stability

ROME — Italy has joined France and Japan in calling on the other members of the Group of Seven industrialized nations to create a framework to bring greater currency stability to the global monetary system.

"We agreed to monitor developments of exchange markets more closely and seek to establish a renewed framework for mutual cooperation," Prime Minister Massimo D'Alema of Italy and Keizo Obuchi of Japan said after a weekend meeting in Rome.

The two leaders renewed the calls made by Mr. Obuchi and President Jacques Chirac of France on Thursday in Paris. Mr. Obuchi's first stop in a week-long tour of the largest economies in the European single-currency bloc: France, Italy and Germany.

To improve global financial stability and the role of the International Monetary Fund, Italy and Japan plan to work together in "various fields in cooperation with other G-7 countries," the two leaders' statement said, such as announcing financial-sector supervision; tackling issues related to international investing, including hedge funds; addressing "issues of exchange-rate regimes," and improving the IMF's programs and procedures.

As it suffers its worst postwar recession, Japan is seeking to reduce the currency fluctuations that have hindered its recovery.

A strong yen hurts the Japanese economy by making exports more expensive on world markets, hampering the export profits through which the nation hopes to emerge from recession.

Regarding the debut of the European common currency, the euro, in 11 countries Jan. 1, Mr. D'Alema and Mr. Obuchi said, "The stability of the euro-yen exchange rate is especially important in the foreign-exchange market."

A spokesman for the Japanese leader later said the leaders had not discussed details of how a new framework for currency stability would operate. The subject is likely to be tackled at the next G-7 summit meeting in Cologne in June.

Besides Italy, France and Japan, the G-7 members are the United States, Germany, Britain and Canada.

Germany, which Mr. Obuchi is to visit Monday and Tuesday, is likely to also endorse the idea of promoting currency stabilization. Finance Minister Oskar Lafontaine of Germany advocated late last year the idea of limiting dramatic fluctuations among the euro, the dollar and the yen by setting up trading bands for the three currencies.



Prime Minister Keizo Obuchi, alongside his wife, Chizuko, touring the excavated ancient Roman city of Pompeii on Sunday during his visit to Italy.

Asian Recovery Near, Banker Says

BIS Chief Cites Falling Rates and Gains by Stocks and Currencies

HONG KONG — The head of the Bank for International Settlements, which represents the world's central bankers, says he is confident Asia's economic crisis is receding, pointing to recent rises in the region's stocks and currencies.

Andrew Crockett, general manager of the bank, which is based in Basel, Switzerland, said in Hong Kong on Saturday that stability in financial markets and exchange rates had allowed central banks to lower interest rates sharply, a "prerequisite for economic recovery."

But he urged Asian economies to move faster in reforming their banking sectors, according to published reports.

Speaking ahead of Monday's meeting at the BIS office here of international central bankers including the U.S. Federal Reserve chairman, Alan Greenspan, Mr. Crockett said he was encouraged by banking reform efforts made in

the region so far but added, "There is still some way to go."

Asian banks must shake off their bad debt burdens if they are to finance recovery in the crisis-hit region, he told the Sunday Morning Post.

Mr. Crockett said there were signs that some Asian economies had bottomed out and would soon start showing modest economic growth again. His confidence will be good news for Asian central bankers, most of whom are overseeing economies mired in recession.

The central bankers will meet Monday in Hong Kong for the first time to discuss the state of the world's economy and financial markets and efforts to strengthen financial systems.

Eleven Asian central bank governors will attend the informal meeting, which has only a brief set agenda. All major regional economies except Singapore and Taiwan will be represented.

Also attending the meeting will be the

European Central Bank president, Wim Duisenberg, and the Reserve Bank of Australia's governor, Ian Macfarlane, as well as governors of the central banks of Mexico, Argentina, Saudi Arabia and the Czech Republic.

"This meeting is one of the normal routine activities of the BIS," which holds informal monthly meetings for governors, Mr. Crockett said. "The only difference is that it is being held in Hong Kong."

The central bankers can discuss any topic, including the ongoing study by BIS of hedge funds, and efforts to bring Asian countries in line with the organization's code of best practice.

The meeting is part of the 68-year-old organization's push to expand beyond its traditional European base. As part of that push, the bank will hold one of its eight annual board meetings in Shanghai in July, Mr. Crockett said.

(Bloomberg, AFP)

Russia Warns It Will Need Help to Pay Foreign Debt This Year

By Daniel Williams
Washington Post Service

MOSCOW — Russia marked the end of its long New Year's holiday with renewed warnings that it will be able to pay only a little more than half of its foreign debt obligations this year without outside help.

The warning came in a statement Saturday from the Finance Ministry, an apparent effort to deny domestic news reports that Russia had told creditors to seize Russian property abroad rather than wait for payments.

The statement called the reports "inventions from beginning to end." But the de-

claration also acknowledged that the government only had budgeted \$9.5 billion for debt payments, and \$17.5 billion is due. As for the rest, either payments will have to be delayed, or Russia will default.

"Due to the financial crisis, the country has adopted a difficult position in a difficult situation and will be unable to meet its external commitments on time," the statement said.

Russia's economy is in a deep slump, and the value of the ruble has fallen about 10 percent since Jan. 1. A survey by the Interfax news agency said five of Russia's largest banks were insolvent — meaning they

could neither pay creditors nor return deposits to savers.

Some shares on Russia's stock market fell as much as 97 percent last year — in other words, to the equivalent of 3 cents on Dec. 31, 1998. The government predicts that the economy will shrink at least 8 percent this year after having declined more than 5 percent last year.

Moscow Delays Debut of Euro

Russia delayed introducing the euro on its currency markets Sunday, saying further technical preparations were needed; it sched-

uled the first day of trading for Jan. 19, Agency Franco-Press reported.

News reports earlier said the 11-nation European currency would start trading against the ruble as early as Sunday, which was a working day in Russia after a three-day break for the Orthodox Christmas.

But Moscow's Interbank Currency Exchange said euro trading could not start until preparations had been completed.

The Central Bank assigned the euro an initial value of 25.89 rubles. The bank also said its gold and foreign currency reserves fell \$77 million in the week that ended Jan. 1, to \$12.22 billion, the Itar-Tass news agency reported.

CYBERSCAPE

Lots of Chatter in the AOL Infield

By Chris Ailbritton
The Associated Press

NEW YORK — An Internet chat program owned by America Online Inc. has almost doubled its membership in six months, helping AOL beef up its presence in cyberspace.

Mirabilis, an AOL-owned company that produced ICQ — Internet-speak for "I Seek You" — announced Friday that it had 25 million registered users, 11 million active, daily users and up to 800,000 simultaneous users chatting away at any one time.

The ICQ software allows users to chat privately with other members over the Internet in real time, much as AOL's members can do using the service's Instant Message function.

It has proven wildly popular with young, computer-savvy people who are not members of America Online. Also, ICQ is free and can be downloaded by anyone, while AOL charges its on-line service members \$21.95 a month.

"This, at its heart, is a communication portal for people who don't have AOL," said Ted Leonsis, president of AOL Studios. "The Web is a lonely place and this gives you a lot of intimacy."

In June 1998, America Online bought Mirabilis and access to the 12.8 million registered users it then had.

Today, AOL has more than 15 million members, making it the largest on-line provider in the world. Mr. Leonsis said only about 6 percent of the members use both services.

With its varied holdings of ICQ, Digital Cities, CompuServe, its on-line service and its own separate instant-messaging software, America Online Inc. has access to about 41 million people.

If the Justice Department approves AOL's purchase of Netscape Communications Corp. and its popular Web portal Netscape, which has 10 million registered users, AOL will own services used by more than 50 million people.

That is about a third of the world's wired population of 150 million, according to NUA Ltd., an Internet research firm.

Good News for Retailers

Britain's retailers may have had a tough time attracting shoppers recently but with electronic retail there is massive latent demand waiting to be tapped, according to new findings. Reuters reported from London.

"Electronic shopping is set to become by far the fastest growing retail sector over the next five years," a retail consultancy, Verdict Research Ltd., said in a report.

Yet out of Britain's 100 largest retailers only 47 have their own web sites, Verdict said, and only 14 of these were transactional despite a growing number of customers requesting on-line selling.

Verdict said that the Internet, which saw its on-line retail sales in Britain jump 40 percent in 1998 to 406 million pounds (\$665 million), was a viable alternative shopping channel but needed better retail input.

Verdict said it expected on-line sales to grow to around \$6.1 billion by 2003. This would represent a 2.5 percent share of the entire retail market, from 0.2 percent today.

Separately, Amazon.com, the e-commerce pioneer whose stock price keeps soaring even though it has yet to make a profit, announced last week that it had leased a huge, highly mechanized warehouse near Reno, Nevada — a sign that it intends to expand its own distribution system for the books, compact discs and videos it sells. The New York Times reported.

The warehouse should help Amazon.com increase its operating margins, several analysts said, by capturing profits at both the retail and the distribution levels.

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Is Impeachment What Ails the Dollar?

By David E. Sanger
New York Times Service

WASHINGTON — Even as U.S. stock hit new highs, a crucial indicator of international confidence in the U.S. government and economy — the dollar — has been falling, and the reason is far from clear.

By all the normal measures, it should not be happening. The U.S. economy remains remarkably strong: The huge federal budget deficit that once was said to undercut the dollar has turned into a surplus that is estimated to hit \$76 billion this year. Inflation is practically nonexistent.

Yet investors are flocking to the yen. The dollar has fallen nearly 25 percent against the Japanese currency since August even as every indicator suggests that Japan will remain the basket case of the major economies in 1999.

Last summer, the dollar was trading around 145 yen and many U.S. officials feared it would rise to 160, to the detriment of U.S. exporters. Instead, the dollar was trading around 120 yen by mid-December, and it bounced around 110 yen last week, finishing the week in New York at 111.03 yen.

The dollar did better against European currencies, but it is nonetheless down about 6 percent over the same period against the Deutsche mark, finishing the week at 1.6888 DM.

What has changed in the fundamentals that are supposed to govern currencies over the long term? Very little. So what is causing this?

In the United States, some say the cause is the swelling trade deficit. Others say it is enthusiasm for the euro, the single currency that was introduced Jan. 1 by 11 European nations. Even though the euro has fallen slightly against the dollar since its strong debut, it seems to be on the way to establishing itself as the world's No. 2 currency, finishing the week at \$1.1576.

Sill says the dollar's decline is a byproduct of Japan's latest act of financial desperation — an unexpected increase in interest rates that appears to be drawing investors to Tokyo, even if many fear the higher rates will further slow Japan's economy.

Ask foreigners, though, and many say the answer is being beamed around the globe 24 hours a day: the impeachment trial of President Bill Clinton.

"It's what I hear from friends and clients all over the world," said Sung Woo Sohn, chief economist at Norwest

Gains Seen for U.S. Currency

Bloomberg News

NEW YORK — The dollar could extend its gains against the euro this week on expectations that the U.S. economy will outperform Europe's in the coming months, and it might recoup some of the 2.2 percent loss it registered last week against the yen.

"I'm definitely a dollar bull," said Fernando Medina, a currency trader at Banco Atlantico, who sees the euro declining to \$1.1530 — compared with its close last week of \$1.1576 and its initial fixing Dec. 31 of \$1.16675 on Dec. 31 — and the dollar at 113 yen, up from 111.03 yen.

"Fundamentally, the U.S. is demonstrating a lot more strength than the 11 EMU countries combined," he said, referring to the European monetary union, and "obviously a lot more" than Japan, whose economy is in recession.

Employment reports released Friday in the United States and in Germany — Europe's largest economy and a cornerstone of monetary union — suggest the European Central Bank will need to cut interest rates while the U.S. Federal Reserve can afford to

stand pat. Lower rates tend to undermine a currency by reducing returns on fixed-income investments in it.

"It's hard to be optimistic about European growth," said Stephen Gallagher, an economist at Societe Generale.

"It seems the door is getting forced open for another rate cut by the ECB not too far down the road. That could be taking strength away from the euro."

Van Bussmann, corporate economist at DaimlerChrysler AG in Auburn Hills, Michigan, the world's fifth-largest carmaker, said: "Expectations for U.S. growth have been on the rise. In Europe, the growth revisions are downward. That's serving to strengthen the dollar."

The yen, meanwhile, has risen more than 32 percent against the dollar since Aug. 11, when it touched an eight-year low of 147.66 to the dollar. A further rise in the currency, traders said, would harm the Japanese economy, which is already in its worst recession since the end of World War II, because it would make Japanese goods more expensive abroad.

Fiat Confirms Talks on Alliance With Volvo and at Least 2 Others

Bloomberg News

ROME — Fiat SpA is holding joint-venture talks with Volvo AB of Sweden and other companies, Umberto Agnelli, whose family holds a controlling interest in the Italian automaker, has confirmed.

Mr. Agnelli said that Fiat was also holding talks with "two or three" other companies.

"Discussions are going on, but not only with them," he said Saturday, referring to Volvo. "An alliance is welcome if it is done in a correct manner with a clear industrial plan and financial plan, otherwise Fiat will play its own cards."

Reports that the two companies were planning a link-up have appeared in the business press in recent months.

Umberto Agnelli, chairman of Ifil SpA, an Agnelli family holding company and the dominant shareholder in Fiat, said that there was no deadline for

the talks and that a combination was not "indispensable" for Fiat.

Daimler AG's purchase last year of Chrysler Corp., the No. 3 U.S. automaker, has put pressure on other European car companies to seek combinations to cut costs and increase their sales abroad.

"There's a wish within Volvo to find a partner or a new shareholder," said Claes Viklund, chief analyst at Nordiska Fondkommissionen in Stockholm.

Volvo might be bought as a whole, or it could sell its car unit and use the proceeds to reinforce its truck operations, analysts said. The car unit has been valued by analysts at up to \$5.6 billion.

Volvo sold all of its consumptive assets after a failed merger with Renault SA of France in 1994. It has since emerged as a strong competitor in the truck, bus and construction equipment industries.

(Bloomberg, AFP)

CURRENCY RATES

Cross Rates									
	\$	£	¥	CS	DM	Greek	Swedish		
London (at)	1.6403	2.2899	182.79	2.4836	10.5722	458.46	12.99		
New York (at)	1.6422	2.2914	183.03	2.4855	10.5741	458.61	13.00		
Tokyo	111.55	184.27	80.34	73.69	17.53	N.Q.	14.16		
Toronto	1.5124	2.4855	1.0631	0.2323	0.5422	0.1916			
Zurich	1.3975	2.2895	1.2535	0.9233	21.6548	0.0057	0.176		
One euro	1.1659	0.7094	1.6138	130.09	1.7643	7.4433	32.00	9.165	
One SDR	1.4107	0.8535	1.9554	159.171	2.1206	8.9983	391.925	11.1865	

Other Dollar Values									
Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$
Argentine peso	0.9998	Indian Rupee	21.443	N. Zealand \$	1.6477	Sov. Ruble	36.82		
Australian \$	1.5727	Indonesian Rp	42.535	Malay. Ringgit	3.763	S. Afr. Rand	3.20		
Belgian Franc	1.3663	Irish Punt	7.8756	Philippine P	49.08	S. Korea Won	117.0		
British Pound	0.6463	Israeli Sheqel	4.0371	Polish Zloty	3.46	Taiwan \$	36.28		
Canadian \$	0.7450	Japanese Yen	106.48	Romanian Lei	20.48	Thai Baht	24.90		
Chinese Yuan	8.2758	Korean Won	166.92	Singapore \$	25.39	Urugu. Pesa	32.00		
Czech Koruna	20.36	Latvian Lats	1.3636	Swedish Krona	10.46	U.S. Dollar	1.0000		
Danish Krone	6.5596	Lithuanian Lt	1.936	Swiss Franc	1.6363				
East German Mark	1.0000	Malay. Ringgit	3.763	U.S. Dollar	1.0000				
French Franc	6.5596	Malay. Ringgit	3.763	U.S. Dollar	1.0000				
German Mark	1.0000	Malay. Ringgit	3.763	U.S. Dollar	1.0000				
Italian Lira	1.936	Malay. Ringgit	3.763	U.S. Dollar	1.0000				
Japanese Yen	106.48	Malay. Ringgit	3.763	U.S. Dollar	1.0000				
South Korean Won	117.0	Malay. Ringgit	3.763	U.S. Dollar	1.0000				
Spanish Peseta	166.92	Malay. Ringgit	3.763	U.S. Dollar	1.0000				

Euro Values									
Currency	Per Euro	Currency	Per Euro	Currency	Per Euro	Currency	Per Euro	Currency	Per Euro
Australian \$	1.5727	Irish Punt	7.8756	Malay. Ringgit	3.763	Philippine P	49.08	S. Korea Won	117.0
Belgian Franc	1.3663	Israeli Sheqel	4.0371	Polish Zloty	3.46	Taiwan \$	36.28	Thai Baht	24.90
British Pound	0.6463	Japanese Yen	106.48	Romanian Lei	20.48	Urugu. Pesa	32.00	U.S. Dollar	1.0000
Canadian \$	0.7450	Korean Won	166.92	Singapore \$	25.39	U.S. Dollar	1.0000		
Chinese Yuan	8.2758	Latvian Lats	1.936	Swiss Franc	1.6363				
Czech Koruna	20.36	Lithuanian Lt	1.936	U.S. Dollar	1.0000				
Danish Krone	6.5596	Malay. Ringgit	3.763	U.S. Dollar	1.0000				
East German Mark	1.0000	Malay. Ringgit	3.763	U.S. Dollar	1.0000				
French Franc	6.5596	Malay. Ringgit	3.763	U.S. Dollar	1.0000				
German Mark	1.0000	Malay. Ringgit	3.763	U.S. Dollar	1.0000				
Italian Lira	1.936	Malay. Ringgit	3.763	U.S. Dollar	1.0000				
Japanese Yen	106.48	Malay. Ringgit	3.763	U.S. Dollar	1.0000				
South Korean Won	117.0	Malay. Ringgit	3.763	U.S. Dollar	1.0000				
Spanish Peseta	166.92	Malay. Ringgit	3.763	U.S. Dollar	1.0000				

Consolidated prices for all shares traded	Stocks	Div Yld	100s High	Low	Clos	Ch
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Consolidated prices for all shares traded	Stocks	Div Yld	100s High	Low	Clos	Ch
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U.S. MUTUAL FUNDS

Figures as of close
of trading Friday, January 8

Fund Name	Assets	Share Price	YTD %	12-M %	3-Yr Avg	Rating
ALM Mutual	\$1.2B	\$12.45	1.2%	5.8%	12.5%	A
ALM Bond	\$1.1B	\$11.30	0.8%	5.2%	11.8%	A
ALM Equity	\$1.3B	\$13.50	1.5%	6.2%	13.0%	A
ALM Growth	\$1.4B	\$14.20	1.8%	6.5%	13.5%	A
ALM Income	\$1.5B	\$15.10	1.0%	5.5%	12.2%	A
ALM International	\$1.6B	\$16.00	2.0%	7.0%	14.0%	A
ALM Money	\$1.7B	\$17.00	0.5%	4.8%	11.5%	A
ALM Real Estate	\$1.8B	\$18.00	1.1%	5.0%	11.9%	A
ALM Small Cap	\$1.9B	\$19.00	1.3%	5.3%	12.1%	A
ALM Tech	\$2.0B	\$20.00	1.4%	5.6%	12.4%	A
ALM Value	\$2.1B	\$21.00	1.6%	5.9%	12.7%	A
ALM World	\$2.2B	\$22.00	1.7%	6.1%	12.9%	A
ALM Zero	\$2.3B	\$23.00	0.9%	5.1%	12.0%	A
ALM Divd Growth	\$2.4B	\$24.00	1.9%	6.3%	13.1%	A
ALM Divd Income	\$2.5B	\$25.00	1.1%	5.4%	12.3%	A
ALM Divd Intl	\$2.6B	\$26.00	2.1%	6.7%	13.8%	A
ALM Divd Mkt	\$2.7B	\$27.00	1.2%	5.7%	12.6%	A
ALM Divd Stk	\$2.8B	\$28.00	1.4%	5.9%	12.8%	A
ALM Divd Yld	\$2.9B	\$29.00	1.0%	5.3%	12.0%	A
ALM Divd Yld Intl	\$3.0B	\$30.00	1.1%	5.4%	12.1%	A
ALM Divd Yld Mkt	\$3.1B	\$31.00	1.2%	5.5%	12.2%	A
ALM Divd Yld Stk	\$3.2B	\$32.00	1.3%	5.6%	12.3%	A
ALM Divd Yld Yld	\$3.3B	\$33.00	1.0%	5.2%	11.9%	A
ALM Divd Yld Yld Intl	\$3.4B	\$34.00	1.1%	5.3%	12.0%	A
ALM Divd Yld Yld Mkt	\$3.5B	\$35.00	1.2%	5.4%	12.1%	A
ALM Divd Yld Yld Stk	\$3.6B	\$36.00	1.3%	5.5%	12.2%	A
ALM Divd Yld Yld Yld	\$3.7B	\$37.00	1.0%	5.1%	11.8%	A
ALM Divd Yld Yld Yld Intl	\$3.8B	\$38.00	1.1%	5.2%	11.9%	A
ALM Divd Yld Yld Yld Mkt	\$3.9B	\$39.00	1.2%	5.3%	12.0%	A
ALM Divd Yld Yld Yld Stk	\$4.0B	\$40.00	1.3%	5.4%	12.1%	A
ALM Divd Yld Yld Yld Yld	\$4.1B	\$41.00	1.0%	5.0%	11.7%	A
ALM Divd Yld Yld Yld Yld Intl	\$4.2B	\$42.00	1.1%	5.1%	11.8%	A
ALM Divd Yld Yld Yld Yld Mkt	\$4.3B	\$43.00	1.2%	5.2%	11.9%	A
ALM Divd Yld Yld Yld Yld Stk	\$4.4B	\$44.00	1.3%	5.3%	12.0%	A
ALM Divd Yld Yld Yld Yld Yld	\$4.5B	\$45.00	1.0%	4.9%	11.6%	A
ALM Divd Yld Yld Yld Yld Yld Intl	\$4.6B	\$46.00	1.1%	5.0%	11.7%	A
ALM Divd Yld Yld Yld Yld Yld Mkt	\$4.7B	\$47.00	1.2%	5.1%	11.8%	A
ALM Divd Yld Yld Yld Yld Yld Stk	\$4.8B	\$48.00	1.3%	5.2%	11.9%	A
ALM Divd Yld Yld Yld Yld Yld Yld	\$4.9B	\$49.00	1.0%	4.8%	11.5%	A
ALM Divd Yld Yld Yld Yld Yld Yld Intl	\$5.0B	\$50.00	1.1%	4.9%	11.6%	A
ALM Divd Yld Yld Yld Yld Yld Yld Mkt	\$5.1B	\$51.00	1.2%	5.0%	11.7%	A
ALM Divd Yld Yld Yld Yld Yld Yld Stk	\$5.2B	\$52.00	1.3%	5.1%	11.8%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld	\$5.3B	\$53.00	1.0%	4.7%	11.4%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Intl	\$5.4B	\$54.00	1.1%	4.8%	11.5%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Mkt	\$5.5B	\$55.00	1.2%	4.9%	11.6%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Stk	\$5.6B	\$56.00	1.3%	5.0%	11.7%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld	\$5.7B	\$57.00	1.0%	4.6%	11.3%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Intl	\$5.8B	\$58.00	1.1%	4.7%	11.4%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Mkt	\$5.9B	\$59.00	1.2%	4.8%	11.5%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Stk	\$6.0B	\$60.00	1.3%	4.9%	11.6%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld	\$6.1B	\$61.00	1.0%	4.5%	11.2%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Intl	\$6.2B	\$62.00	1.1%	4.6%	11.3%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Mkt	\$6.3B	\$63.00	1.2%	4.7%	11.4%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Stk	\$6.4B	\$64.00	1.3%	4.8%	11.5%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld	\$6.5B	\$65.00	1.0%	4.4%	11.1%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Intl	\$6.6B	\$66.00	1.1%	4.5%	11.2%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Mkt	\$6.7B	\$67.00	1.2%	4.6%	11.3%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Stk	\$6.8B	\$68.00	1.3%	4.7%	11.4%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld	\$6.9B	\$69.00	1.0%	4.3%	11.0%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Intl	\$7.0B	\$70.00	1.1%	4.4%	11.1%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Mkt	\$7.1B	\$71.00	1.2%	4.5%	11.2%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Stk	\$7.2B	\$72.00	1.3%	4.6%	11.3%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld	\$7.3B	\$73.00	1.0%	4.2%	10.9%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Intl	\$7.4B	\$74.00	1.1%	4.3%	11.0%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Mkt	\$7.5B	\$75.00	1.2%	4.4%	11.1%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Stk	\$7.6B	\$76.00	1.3%	4.5%	11.2%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld	\$7.7B	\$77.00	1.0%	4.1%	10.8%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Intl	\$7.8B	\$78.00	1.1%	4.2%	10.9%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Mkt	\$7.9B	\$79.00	1.2%	4.3%	11.0%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Stk	\$8.0B	\$80.00	1.3%	4.4%	11.1%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld	\$8.1B	\$81.00	1.0%	4.0%	10.7%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Intl	\$8.2B	\$82.00	1.1%	4.1%	10.8%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Mkt	\$8.3B	\$83.00	1.2%	4.2%	10.9%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Stk	\$8.4B	\$84.00	1.3%	4.3%	11.0%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld	\$8.5B	\$85.00	1.0%	3.9%	10.6%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Intl	\$8.6B	\$86.00	1.1%	4.0%	10.7%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Mkt	\$8.7B	\$87.00	1.2%	4.1%	10.8%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Stk	\$8.8B	\$88.00	1.3%	4.2%	10.9%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld	\$8.9B	\$89.00	1.0%	3.8%	10.5%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Intl	\$9.0B	\$90.00	1.1%	3.9%	10.6%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Mkt	\$9.1B	\$91.00	1.2%	4.0%	10.7%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Stk	\$9.2B	\$92.00	1.3%	4.1%	10.8%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld	\$9.3B	\$93.00	1.0%	3.7%	10.4%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Intl	\$9.4B	\$94.00	1.1%	3.8%	10.5%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Mkt	\$9.5B	\$95.00	1.2%	3.9%	10.6%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Stk	\$9.6B	\$96.00	1.3%	4.0%	10.7%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld	\$9.7B	\$97.00	1.0%	3.6%	10.3%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Intl	\$9.8B	\$98.00	1.1%	3.7%	10.4%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Mkt	\$9.9B	\$99.00	1.2%	3.8%	10.5%	A
ALM Divd Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Yld Stk	\$10.0B	\$100.00	1.3%	3.9%	10.6%	A

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ADAG NATION

THE NEW YORK TIMES

Business Opportunities

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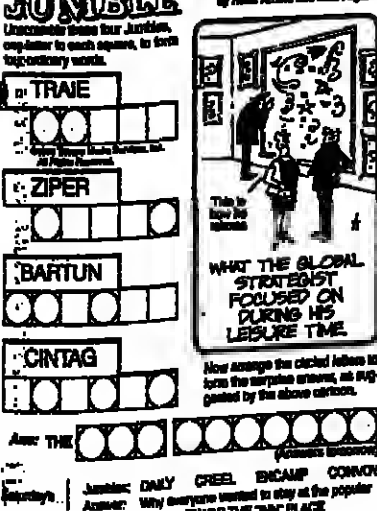
PEANUTS



CALVIN AND HOBBS



HEARD THAT SCRAMBLED WORDS
by David Shields and Mike A.



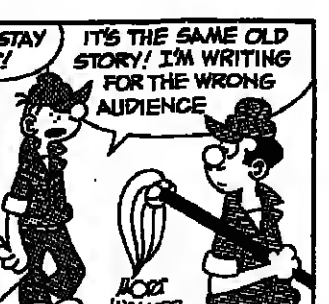
GARFIELD



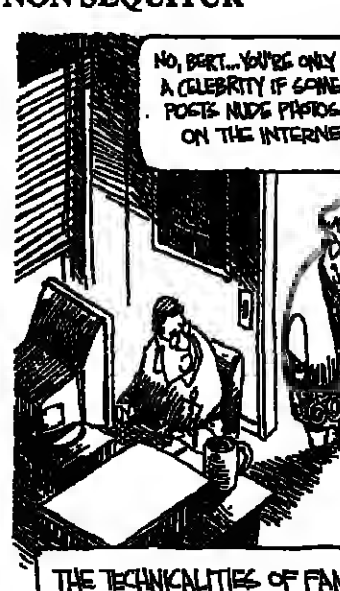
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SPORTS

Maier Loses For First Time In Austria, to Team's Rookie

The Associated Press

FLACHAU, Austria — Hermann Maier, the nearly unbeatable Austrian powerhouse, lost a World Cup giant slalom in front of his hometown fans Sunday to a younger and less experienced teammate.

Benjamin Raich, a 20-year-old skier in his first season on the World Cup, trailed in third place after the first heat then flashed down the slope on his second run to post a winning combined time of one minute, 27.02 seconds.

Maier, known as the "Herminator" because of his powerful build, took third.

Before the race Sunday, Maier had won every World Cup he had competed in on Austrian soil since joining the circuit last season.

Raich, a five-time World Cup junior champion said: "It was never my goal to beat Maier. My goal was to finish at the top of the podium, and I don't care who is behind me."

Maier, the overall World Cup leader and Olympic champion in the giant slalom, said his third-place finish was a "small victory," considering his disappointing finish in the event last week-end.

"Everybody was expecting a lot from me," said Maier. "And it was almost impossible to focus on the race. It was even harder than at the Olympics."

Raich edged Michael Von Gruenigen of Switzerland, the World giant slalom champion, by just five-hundredths of a second.

"I really wanted to win the race," said Von Gruenigen, who has triumphed 15 times in the giant slalom. "But I am not very disappointed with second place because the time difference is so small."

Raich joined the World Cup circuit this season and immediately began making a name for himself. He scored his first World Cup victory in a night slalom Thursday in Schladming, Austria, where he made a record comeback from 23d place after the first run.

"For years it used to be the same people in the top spots," said Von Gruenigen. "Now it is quite exciting to see newcomers to the circuit do so well. It gives you extra motivation."

More than 20,000 spectators lined the course Sunday. They cheered wildly and honked horns when it was clear that an Austrian had won the race.

"I think I have become quite popular with Austrian ski fans," said a jubilant Raich, who began signing autographs in the finish area.

After a disappointing ninth place in the first run, Maier tore down the second run in his most aggressive style, moving up to third.

"Raich is in great shape right now," acknowledged Maier, who shook Raich's hand after the race. "But I will strike back 100 percent."

Both Maier and Von Gruenigen said Raich was so successful because he felt no pressure to win, allowing him to stay relaxed and take more risks.

Maier, whose parents are ski instructors at Flachau, increased his huge lead in the overall World Cup standings to 811 points. Kjetil Andre Aamodt of Norway is second at 603, followed by Lasse Kjus of Norway at 592.



The Devils' Vadim Sharifjanov sending the Capitals' Joe Juneau sprawling in first-quarter action. Washington won the game, 3-2.

Lidstrom Lifts Red Wings

Late Goal Breaks a 2-2 Tie With Avalanche

The Associated Press

Nicklas Lidstrom's tie-breaking, power-play goal with 6:59 remaining lifted Detroit to a 3-2 victory over the Colorado Avalanche for the Red Wings' third triumph in their last 11 games.

Steve Yzerman and Martin Lapointe also scored for the host Red Wings on Saturday, who came into the game only 2-7-1 in their previous 10 contests.

Adam Foote got two assists, on tips by Claude Lemieux and Peter Fors-

berg, for the Avalanche, who had won four of their last five road games.

Canadiens 3, Islanders 2: Stephane Quintal scored two goals, including the game winner on the power play early in the third period, as host Montreal beat the New York Islanders. Patrick Poulin also scored for the Canadiens. The Islanders were winless in seven games.

Earlier Saturday, the Islanders acquired goaltender Felix Potvin from Toronto for defenseman Bryan Berard.

Maple Leafs 6, Bruins 3: Derek King and Igor Korolev scored 33 seconds apart in the opening two minutes of the game as Toronto beat visiting Boston.

Mike Johnson scored twice, and Garry Valk and Sergei Berezin also scored for the Maple Leafs. Shawn Bates, Joe Thornton and Kyle McLaren scored for Boston, which outshot Toronto, 32-23.

Capitals 3, Devils 2: Olaf Kolzig made 39 saves and Washington, a Stanley Cup finalist a year ago, posted its first three-

game winning streak of the season by holding off the Devils in East Rutherford, N.J.

Brian Belfour, Michael Pivonka and Joe Juneau scored for the Capitals. Vadim Sharifjanov

and Patrik Elias scored in the third period after Washington built a 3-0 lead against Chris Terreri.

Flyers 2, Hurricanes 0: Valeri Zelenchuk and Eric Lindros scored second-period goals as host Philadelphia beat Carolina and extended the NHL's longest current unbeaten streak to 13.

The game was marred by injuries to Philadelphia goaltender Ron Hextall, Flyers defenseman Dmitri Tertyshny, Carolina center Robert Kron and an NHL official, Gordon Broseker.

Penguins 2, Blues 1: Tom Barrasso stopped 29 shots to help Pittsburgh beat the visiting St. Louis Blues, and extend the Penguins' winning streak to six games. The Blues were caught short in a line change late in the second period, allowing Robert Lang to break a 1-1 tie.

Blackhawks 3, Predators 3: In Nashville, Nelson Emerson's first goal as a Blackhawk clinched a three-goal rally, and Chicago rallied from a three-goal deficit to tie the Predators. Emerson, who arrived in a trade with Carolina for Paul Coffey six games ago, fired a wrist shot, from the high slot past Tomas Vokoun's glove 8:59 into the third period.

Kings 1, Oilers 1: Stephane Fiset made 32 saves in his first start in almost a month, and Rob Blake scored his first goal in 2½ months as Los Angeles tied visiting Edmonton. Fiset was especially sharp during the final 25 minutes of his duel with Bob Essensa, stopping all 11 shots against an Oilers team that leads the NHL with 44 third-period goals.

Sabres 2, Sharks 2: Michael Peca's power-play goal midway through the third period lifted visiting Buffalo to a tie with San Jose. Mikael Samuelsson scored Buffalo's other goal. Marco Sturm and Owen Nolan scored for San Jose.

A Brave Man, On and Off Court

Washington Post Service

WASHINGTON — I stopped thinking of John Thompson as a basketball coach a long time ago. Of course that's what he has done professionally for more than 30 years. And he did it well enough to win championships, coach the U.S. Olympic team, and earn — probably later this year — a spot in the basketball Hall of Fame.

But to frame him as essentially a basketball coach would be to shoot an air ball, to miss the point entirely.

Thompson, who resigned his post Friday as Georgetown University's head coach for personal reasons, evolved into a man who changed some fundamental elements of college basketball and also challenged traditional notions about education, contradicted virtually every stereotype people held about blacks in athletics and used the moral authority of his position to inspire a segment of urban America thought by many to be unreachable.

He changed this city in a way no mere coach ever could, and his departure from Georgetown means that metropolitan Washington will never be the same.

Basketball was Thompson's pulpit, from which he could rouse, examine, defy, confront. Most of all, he forced you to think.

When I was the Post's beat writer covering Georgetown basketball, Thompson returned phone calls usually at about 2 A.M. More than once I answered the phone semiconscious to hear him say, "Son, you want to sleep, or you want a scoop?"

Two minutes might be spent talking about basketball. The next 58 might be spent dealing with whether standardized tests accurately predict academic performance in college, or why college athletes receiving "room, board, books and tuition" means they are indeed being paid.

Thompson wasn't looking for an agreement; he loved a forum, the exchange of ideas. I remember him saying, "You shouldn't care whether I agree with your opinion, son, you might care if I respect it."

He was willing to be a lightning rod for race and sports in America at a time when almost no one else had the courage to get the discussion started, because it surely would mean offending some people.

Yes, he could be angry and scowling, but he was intensely funny far more often. He's brilliant, complex, eclectic, profane, ridiculously well-informed and a bundle of contradictions that can never be unraveled.

Vantage Point/MICHAEL WILSON

That one could hear Thompson called a racist on one side of town, then hear him called an "Uncle Tom" on the other spoke to the contradiction but also reconfirmed that he is neither.

While I remember the games — some of which were the most riveting in college basketball history — in covering Thompson and his teams for five years, it's the conversations I will remember most, the intensely passionate answers a questioner could never anticipate.

Like the time in 1982 at the Final Four stage of the NCAA tournament when a reporter asked Thompson how he felt.

Basketball was John Thompson's pulpit, from which he could rouse, examine, defy, confront.

about being the first black coach to reach this point, and he said essentially that a great many black men before him had been denied the opportunity to do the same thing. It's the only appropriate answer to that question.

If the predominantly black teams and the take-no-prisoners style Georgetown played with on the court made Thompson an idol among young urban men, it was his message of discipline, education and self-reliance off the court that seduced others. While seemingly everyone else was becoming more permissive, Thompson was as demanding as a turn-of-the-century headmaster. Between 1982 and 1990, he was a cultural force. Of how many basketball coaches would you say that? He seemed tireless and invulnerable to many of us, which must have been an overwhelming burden.

"I'm not the great big idol with the golden head," he said Friday. "I'm John Thompson who's fragile and weak and has to address things that pertain to him also."

Regrettably, it never occurred to me until now.

Much of Thompson was exactly as it seemed, some of it was nothing as it seemed. Also, Thompson's bark was a whole lot worse than his bite.

Thirteen years ago, on the eve of NCAA March Madness, I was covering Georgetown basketball when my father died of cancer. When I arrived in Chicago at the funeral home, I found two enormous wreaths, the largest arrangements of flowers we received. One said,

"From John Thompson," and the other said, "From Georgetown Basketball." As if they weren't one and the same, Thompson had never even met my father.

You see, Thompson usually got the big stuff right.

But as the Hoyas were eliminated earlier and earlier from the NCAA Championship Tournament, people began to ask if Thompson had slipped.

Maybe. How many coaches don't after 20 years? But the question doesn't take into account that after 1985 Thompson did not have the luxury of simply being a basketball coach.

A whole lot of folks could coach basketball, so what? But nobody else was the idol with the golden head. No amount of protesting will stop a great many people from seeing Thompson that way, even if a problematic marriage and a trying divorce have pushed him away from a life he loved so dearly.

I don't mean to diminish the basketball contributions. The Big East — with apologies to the University of Connecticut, Syracuse and St. John's — owes its popularity first and foremost to Georgetown. Before Thompson hit his stride, Big East basketball was a chummy little club sport that almost no one outside the region paid attention to.

THOMPSON insisted that the Big East schools leave their inadequate gymnasiums for major arenas so the games could be televised and Big East basketball could move into the big time. His pressure defense — it doesn't matter who played pressure defense first, Thompson perfected it — changed the way teams played offensively. Georgetown defense made coaches find secondary ball handlers and rethink traditional ways of getting the ball up court. If Thompson did not invent the play-10-men game of attrition, he popularized it. There was no more important game on the schedule for most teams than Georgetown.

Whether we will see that kind of basketball dominance here again, no one knows. But I'm less concerned for the moment with Georgetown basketball than with the fear that Thompson, without his vehicle, won't be heard as frequently, as loudly.

Sometimes, complex situations relating to sports cry out for a strong voice. Whatever Thompson winds up doing next, I hope he makes sure the new venue has a pulpit.

Australia Ousts Sweden to Win Hopman Cup

The Associated Press

PERTH, Australia — Australia defeated Sweden to win the Hopman Cup for the first time in the mixed-tennis tournament's 11-year history.

Jelena Dokic, the 15-year-old world junior champion, continued her string of upsets when she beat Asa Carlsson, 6-2, 7-6 (10-8), and Mark Philippoussis clinched Australia's victory Saturday with a 6-3, 7-6 (8-6) victory over Jonas Bjorkman.

Dokic, ranked 341st, added Carlsson to a list of victims that had included Arantxa Sanchez Vicario and Sandrine Testud.

Carlsson, ranked 92d, was unable to

outclass her rival in the fierce baseline rallies. Dokic often increased the pace and caught Carlsson off-guard.

When Carlsson became more aggressive and forced her way back into contention, recovering from a 1-4 deficit in the second set, Dokic remained composed and held three match points at 5-3.

Although Carlsson survived then, Dokic finally claimed victory in the tiebreaker on her seventh match point.

"It's probably the greatest day of my life," Dokic said.

"I've never won something this big before, and it gives me great confidence."

Illness Sidelines Graf

Illness' stomach forced the former world No. 1 Steffi Graf to quit after four games in the final of the Super-Power Challenge Cup in Hong Kong. The Associated Press reported.

Graf, who reportedly had an upset stomach, forfeited the match and the tournament Saturday to her opponent, Venus Williams.

Graf, 29, had advanced to the final with a 6-2, 7-6 (7-4) victory over Serena Williams. Venus's younger sister, Venus Williams, ranked fifth in the world, defeated Anna Kournikova of Russia, in the semifinals, 6-4, 6-3.

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Bad Break for 49ers: Falcons Seize Victory San Francisco Runner Injures Leg On First Play From Scrimmage

By Thomas George
New York Times Service

ATLANTA — A spin, a twist, changed the entire complexion of the playoff clash between San Francisco and Atlanta in the Georgia Dome. It was a 7-yard run and a spinning move by running back Garrison Hearst on the game's first play from scrimmage that made the 49ers play the rest of the game looking backward.

Hearst broke the fibula in his left leg on the play.

It was the spin, the twist that tossed the 49ers for a loop Saturday as the Falcons

The Falcons' quarterback, Chris Chandler, had a decent day, going 13 of 19 for 169 yards with one interception and eight passes for first downs.

But the critical factor was the running game. Atlanta produced one. San Francisco could not.

After Hearst went down, San Francisco ran the ball 19 times. No 49ers back had a run longer than Hearst's seven yards. Then Hearst's backup, Terry Kirby, bruised his leg. That hurt the 49ers, too. The 49ers averaged 2.3 yards a carry and finished with only 46 rushing yards. Young threw the ball 37 times.

Atlanta featured Jamal Anderson, a bruising back who crushed the 49ers. He scored on runs of two and 34 yards that put Atlanta ahead, 14-0, with 3 minutes 12 seconds left before halftime. He finished with 113 rushing yards; the Falcons totaled 136, averaging 4.1 yards a carry. Atlanta ran the ball 33 times and passed it only 19.

No Hearst, a Pro Bowl back. Plenty of Anderson, a Pro Bowl back. Both sides could deduce the obvious.

"My running game took a couple of hits," said Steve Mariucci, the 49ers coach. "A lot of responsibility was placed on Steve Young's shoulders and our passing game."

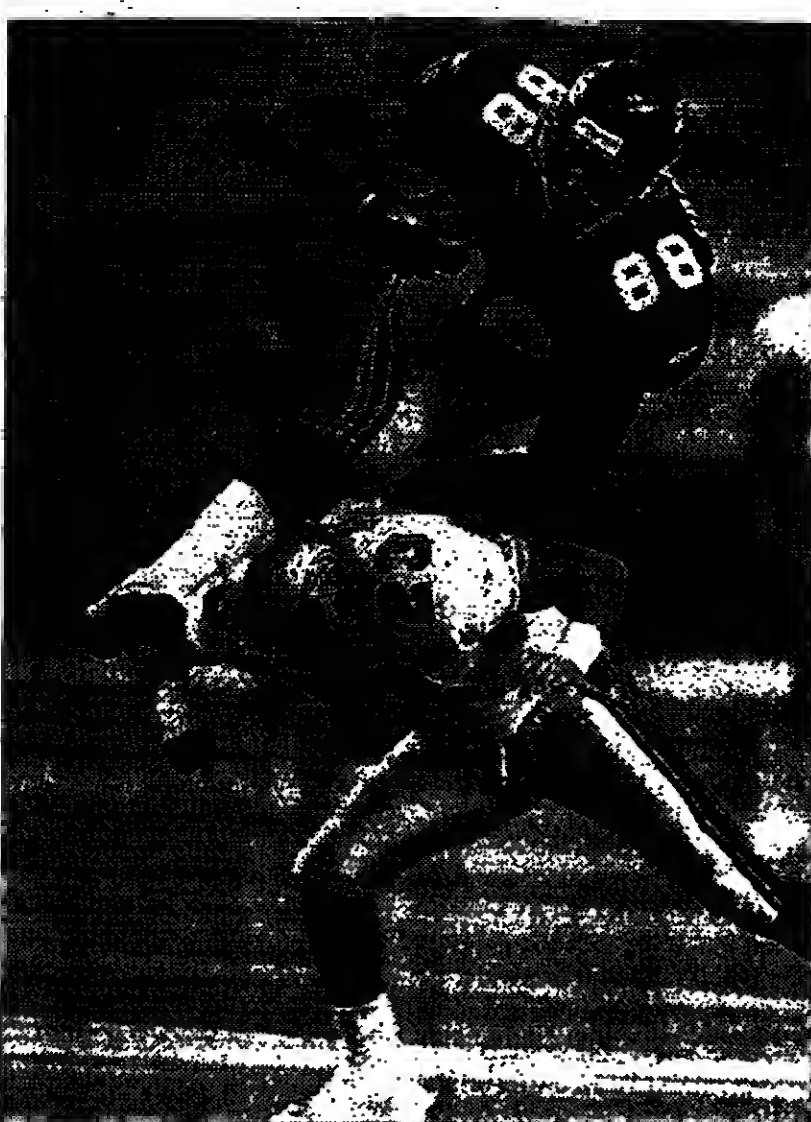
Nonetheless, San Francisco fought back.

The 49ers scored 10 points in the final 3:12 of the first half — a touchdown on a Young-to-Jerry Rice throw of 17 yards and a Wade Richey field goal as time expired. Atlanta led, 14-10, at halftime.

Atlanta continued to stick together.

The Falcons intercepted Young with 4:44 left in the third quarter, with safety Eugene Robinson returning the pass meant for receiver J.J. Stokes 77 yards to the San Francisco 20. That set up Morten Anderson's 29-yard field goal with 1:16 left.

On the 49ers' next drive, early in the fourth quarter, safety William White



The Falcons receiver O. J. Santiago catching a pass in the first half from quarterback Chris Chandler and flying over the 49ers' Marquise Pope.

intercepted a Young pass meant for tight end Greg Clark and returned it 14 yards to the San Francisco 36. Another Anderson field goal followed.

Young, who completed 23 of 37 passes for 289 yards, then drove the 49ers 87 yards in 13 plays in 7:36, running eight yards for the score, and after a two-point conversion, it was suddenly a 20-18 game with 2:57 left.

Plenty of time for another rally by Young and the 49ers, who got to this game by defeating Green Bay on the last play of their wild-card game Jan. 3.

But this time the rally did not happen. "It made all of the difference in the world playing at home, getting that home-field advantage; I'm convinced that's a big reason why we won this game," Reeves said.

"You preach and teach, and these guys listened and accomplished this. This group collectively is as good as I've been around," he said. "They sacrifice to win. They respond. This is such a fragile business; you never know. But with this group of guys, I'll take my chances."

Broncos, in Super Form, Trample the Dolphins

By Charlie Nobles
New York Times Service

DENVER — Shannon Sharpe underestimated.

After a 10-point loss to Miami in late December, the Denver Broncos' tight end had said that his team would win 10 to 14 points better than the Dolphins.

They passed even that Saturday in the American Football Conference playoffs, as the Broncos dominated on both sides of the line of scrimmage and rolled to a 38-3 victory before a crowd of 75,729 at Mile High Stadium.

The victory advances the Broncos (15-2) to the AFC title game Sunday.

The Broncos scored on their first three possessions. Running back Terrell Davis, held to 29 yards in the Broncos' loss to Miami, rushed for 199 yards and

two touchdowns in 21 carries. Leg cramps early in the fourth quarter kept him from exceeding 200 yards.

And the matchup of veteran quarterbacks — Denver's John Elway and Miami's Dan Marino — went to Elway. He completed 14 of 23 passes for one touchdown and 182 yards.

Marino, who had pierced the Denver secondary for 355 yards and four touchdowns in the teams' last meeting, managed to complete 26 of 37 passes for 243 yards, but with no touchdowns and two interceptions.

The Broncos' linebacker Bill Romanowski and cornerback Darius Johnson had the interceptions, fulfilling the vow by strong safety Tyrone Braxton that Denver's maligned defense would be rejuvenated to the playoffs.

Denver's defense even added a touchdown midway through the final period. Neil Smith, a Broncos' end, scooped up wide receiver Oronde Gadsden's fumble at the Miami 21 and took a couple of stutter steps, thinking the whistle had blown. When it became apparent that it had not, the 6-foot-4-inch (1.93-meter), 269-pound (122-kilogram) Smith began struggling down the field, with only the Dolphins' center, Tim Ruddy, in serious pursuit.

Ruddy made a diving tackle attempt at the Denver 20 that failed, and Smith finished off his 79-yard run in the end zone.

After stopping the Dolphins in three

plays to open the game, the Broncos put together one of the great textbook drives in National Football League playoff history. There was an occasional flash of greatness in the 14-play, 92-yard maneuver that consumed 7 minutes 56 seconds.

The greatness came on Denver's second play, when Elway underthrew wide receiver Rod Smith, but Smith managed to reach back over defender Sam Madison's left shoulder to pull in a 15-yard pass. Elway completed five of six passes in the drive for 48 yards. His only misfire almost was — and should have been — caught by the Dolphins' linebacker Robert Jones.

In between, Davis rushed seven times for 38 yards, including the one-yard touchdown. Davis invariably attacked Miami's left side, behind tackle Tony Jones and guard Mark Schlereth, and had gains of 13 and 11 yards as Denver established the tone of the game.

Miami (11-7) could not muster a first down on its next series, so the Broncos' offense picked up where it had left off. This time, however, the Broncos practiced more clock economy by gaining yards in huge chunks. It took them just 2:18 and four plays to move 66 yards for a 14-0 lead.

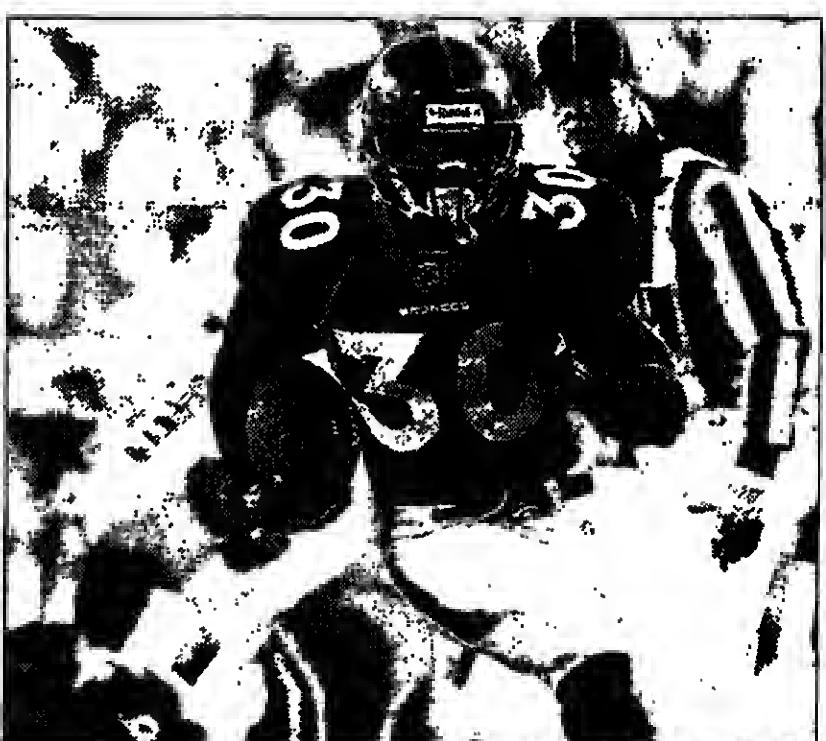
Denver wide receiver Ed McCaffrey made a diving 33-yard reception to get things started. Davis then gained six yards and caught a seven-yard pass before his 20-yard scoring run. He started around right end, then cut back and left Dolphins' defenders flailing. The last to miss, after he was faked out of position, was cornerback Ray Hill.

Miami then stopped the bleeding for a while with a 76-yard drive of its own. The difference was, after reaching the Denver two-yard line, it had to settle for a 22-yard field goal from Olindo Mare.

Still, with 10:07 left in the second quarter, the Dolphins thought they were starting to get some momentum.

The Broncos quelled those thoughts on their next possession by going 87 yards in 11 plays. This drive took 5:28 and featured Davis's 28-yard run, a 16-yard Elway pass to Smith. The payoff was the twisting 11-yard run of the backup running back Derek Loville.

Loville headed right, then — just as Davis had done on the previous touchdown — cut to the middle and shook off several arm tackling attempts to burst into the end zone.



The Broncos' running back Terrell Davis breaking into the end zone.

So, Fans and NBA Ask, Where's Michael Jordan?

New York Times Service

NEW YORK — Michael Jordan has disappeared. It's not the first time. But people now are looking for Jordan because they want an answer to the question they have been asking since he sank the winning jump shot in the final game of the 1998 National Basketball Association championship series in Salt Lake City in June.

Perhaps the question most prominent in basketball circles is: Will M.J. or won't M.J. play basketball for profit again? Or is he retired from the game, the Bulls, the NBA and fans' hearts once and for all?

A call to the Chicago Bulls' office elicited this reply: "He's out around here as far as we know. There was a rumor he was in New York. But last we heard he was in the Bahamas playing golf."

Jordan's agent, David Falk, said by phone Friday that Jordan was "out of the country."

"He won't be back until early next week," Falk added, and he won't make a decision until he returns. How soon after that will he decide, I have no idea. I'm not sure he does. But for now,

he's sitting on a \$50 million cap with the Bulls, and they can't really sign anyone until he decides."

Others yet to be signed by the Bulls include two additional stars of their recent championship teams, Scottie Pippen and Dennis Rodman.

Jordan has had quite a long time to consider whether he will come back, but Falk said, "things were up in the air with the lockout."

"So Michael will make his decision when he feels comfortable. He wants to be careful and make the right decision for himself. It's his career, it's his future."

The Bahamas had previously been checked out. A caller to the hotel where Jordan was supposed to be staying asked for Michael Jordan.

"Sorry," came the reply, "no one by that name is registered. The caller then asked for the alias Jordan often uses. The receptionist said the person registered under that name had checked out."

Scenarios in the upper reaches of the Bulls' management said privately the other day that he did not believe Jordan would return to basketball. Charles Barkley said Jordan had told him that it

was curtains for his career. Billy Hunter, executive director of the players association, said he believed Jordan probably would be back. And Jordan may not be his hand until the new collective bargaining agreement is signed in a few days and teams go back to work.

Many believe that Jordan's return hinges on whether Pippen comes back to the Bulls. Jordan has never won a championship without his smooth forward. Pippen has said he will never play for the Bulls again because he bears such animosity toward management, but he has also said that he would never play for the Bulls again, and has.

Some believe that Pippen's decision hinges on Jordan's.

Early last season, Jordan said he would not entertain thoughts of playing another season if Phil Jackson did not return as the Bulls' coach. Jackson has made it definite that he will not return. Jordan, meanwhile, has changed his tune, saying he might play for another coach if he felt like it.

The new Bulls' coach will surely be Tim Floyd, and Jordan has said he was

The NBA/INA BARKOW

impressed with what Floyd had been doing — studying the Jackson style of play, which would make Jordan comfortable — and what Floyd had been saying. Floyd had been effusive in his praise for Jackson and Jordan.

Others contend that the perfect way for any great athlete to go out is when on top. Jordan certainly did that last season, hitting the winner in the final game. Not only that, but at age 35, he was the league's leading scorer for the 10th time and the Most Valuable Player for the fifth time — and the Most Valuable Player in the championship series.

Jordan is playing as well or better an all-around game than he ever has. And he loves the competition.

In a shortened, 50-game regular season, Jordan would not have to work quite as hard or as often as before. And, finally, the lockout and the labor battle have left fans with a taste of ashes in their mouths. Not only do the Bulls need Jordan, but the league feels it does. Even rival players hope Jordan will come back to ease tensions and excite the customers.

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Carolina	18	16	47	106	101
Florida	13	14	26	95	94
Tampa Bay	12	21	21	81	127

WESTERN CONFERENCE

CENTRAL DIVISION

W	L	T	Pts	GF	GA
St. Louis	17	19	44	119	106
Chicago	12	21	21	81	127

NORTHWEST DIVISION

W	L	T	Pts	GF	GA
Calgary	17	19	44	119	106
Edmonton	14	18	26	95	94
Vancouver	13	22	21	81	127
San Jose	12	21	21	81	127

WEEKEND FINALS

W	L	T	Pts	GF	GA
St. Louis	25	6	56	172	76
Philadelphia	21	10	38	94	104
San Jose	15	21	34	94	104
San Jose	13	17	30	84	95

FOOTBALL

NFL PLAYOFFS

INDIVIDUAL PLAYERS

ATLANTA 20, SAN FRANCISCO 18

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CRICKET

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Cole Scores 2 Goals in Victory Over West Ham

BASEBALL Roger Maris missed the Hall of Fame ballot cut and will be missing from the list of candidates considered by the veterans committee March 2 in Tampa, Florida. Maris, whose record of 61 home runs was broken last season by Mark McGwire and Sammy Sosa, was among roughly 100 players dropped by the screening committee, which cuts the list of candidates to between 10 and 15 players. (AP)

Aston Villa, the league leader all season long, slipped to second after a 0-0 tie at Middlesbrough. Arsenal and Liver-

The other goalfest Sunday came in Sardinia, where host Cagliari upset AS Roma, 4-3, thanks to two goals apiece by Roberto Muzzi and Fabian O'Neill.



SPAIN Mallorca, the team with the tightest defense in the Spanish first division, stayed in first place by beating

midway through the first half when Real Madrid's captain, Manuel Sanchis, shot the ball into his own goal. (AP, Reuters)

By Jere Longman
New York Times Service

If the allegations proved true, they would be particularly embarrassing to this community of conservative values and Mormon rectitude and would lend further charges of hypocrisy to the pristine Olympic ideal of elevating humanity through sport.

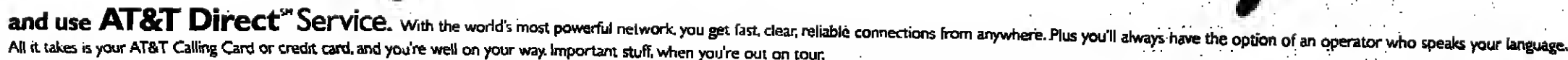
After that long-ago victory, New York became one of pro football's laughingstocks. The turnaround began with the hiring of Coach Bill Parcells before the 1997 season and took off this year behind Martin, Johnson, the revitalized quarterback Vinny Testaverde and a stingy defense.

Testaverde lofted a pass into the end zone that was intercepted by a rookie safety, Donovan Darius, with about 2½ minutes left. But instead of downing the ball, Darius tried to run and was tackled

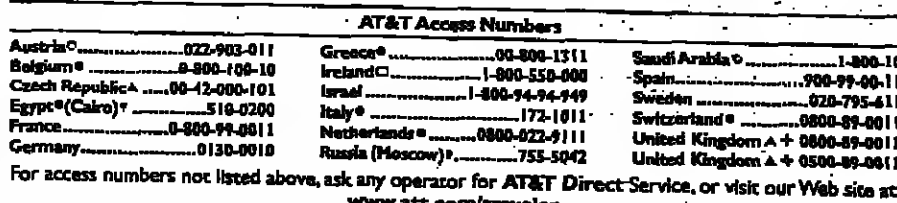
Neither team managed much in the first quarter, and the Jaguars' quarterback, Mark Brunell, had three passes blocked. Jacksonville barely got a chance to improve in the second quarter, when the Jets held the ball for all but 51

The Jets turned right around and marched to a 17-0 lead on Johnson's scoring run, but then the Jaguars used the final 33 seconds of the half to get on the scoreboard. Brunell finally found his deep threat, Jimmy Smith, down the left sideline on a 52-yard pass on the last play of the half, and, suddenly, it was 17-7. Smith also had a 19-yard touchdown catch in the fourth quarter.

Mistakes continued to plague the Jags early in the second half.



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